ANNUAL REVIEW AND OUTLOOK

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OUTLOOK FOR STEEL INDUSTRY AFTER THE WAR

Export Demand Should Not Drop Off For Four or Five Years

DOMESTIC TRADE IMPORTANT

President of Canadian Car Believes Canadian Railroads Will Have to Enter the Market for Many Kinds of Material.

By Hon. N. Curry, President Canadian Car & Foundry Co.

There is a very large demand for rolling stock of all kinds on export account as well as for steel, iron and other metals. It does not appear to be likely that this demand will drop off for four or five years to come. In the domestic field a different condition prevails and domestic business should offer the best inducements for the future.

Canadian railroads have bought so little in the last three years they must enter the market for all kinds of material as soon as prices get to normal again.

Immigration.

Even though immigration is held up for a while, when hostilities cease, I believe that it will eventually be large. People may be held up in their own countries, but as soon as peace is assured and citizens free to go and come, an influx to Canada seems certain. It w[illegible] period immediately following the Franco-Prussian war that [illegible] greatest movement with respect to the United States and a similar result may reasonably be anticipated in this case.

Canadian Business Good.

The future is bright for Canadian business, however. The pulp and paper industry is in for a period of prosperity and the same applies to lumber and all the products of the farm and fisheries.

Lower Prices.

No doubt when the war is over, prices will come down, perhaps not to where they were before the war, but to an appreciable extent at least. Some lines will [illegible] slowly, others quickly. The decline in steel should prove to be gradual, although in the case of metals which made rapid advances to a very high lewl, such as copper, aluminum, etc., a sharper recession seems probable.

WALL STREET'S YEAR.

Trading was Largest Since 1906.

The year 1916 proved a record one on the New York Stock Exchange. Transactions were marked by a speculative acitivity which passed the levels reached in 1909 and aggregated the largest since 1906. The sales of stocks for the year were 230,060,900 shares, which compare with 214,692,215 shares in 1909 and 284,063,459 shares in 1906. The 1915 total was 72,501,784. The par value of the bonds sold amounted to $1,133,935,300, against $958,772,700 in 1915.

Trading in stocks reached its maximum degree in November, when 33,032,770 shares changed hands. The 1915 record was in October, with 26,604,702 shares. Bond transactions were heaviest in the month of October, amounting to $143,575000.

The total number of million-share days on the Exchange last year was 77, which compares with 48 in 1915, 2 in 1914, none in 1913, 51 in 1909, and 114 in 1906, the high record. The largest transactions for a single day were recorded on Thursday, December 21, when 3,002,425 shares were sold. The highest daily average of sales was 1,376,360 shares, in the month of November.

The volume of stock transactions during the month of December reached a total of 31,591,070 shares, against 33,032,700 shares in November and 13,701,220 shares in December, 1915. The par value of bonds sold for the same period amounted to $97,069,000, which compares with $115,136,000 the previous month and $121,247,000 in December, 1915.

DOLLAR SECURITIES.

A Number of Important Industrials Listes, as Well as C.P.R.

The American Dollar Securities Committee, which is mobilizing Canadian and American securities to support sterling exchange, has included in the sixth list subject to special income tax unless they are deposited with the committee or offered to the British Treasury for purchase, Canadian Pacific preferred consolidated 4 per cent. debenture stock, 4 per cent. preferred stock, and the common stock; Dominion Coal first mortgage 5 per cents; Dominion Iron and Steel consolidated mortgage sterling 5 per cents.; Montreal Tramways first and refunding mortgage 5 per cents.; and Steel Company of Canada first mortgage and collateral trust 6 per cents., and the 7 per cent. cumulative preferred.

RAILWAYS TO CONSIDER REDUCTION OF TRAINS

Request of Commission is Being Worked On By the Transportation Officials.

That the Canadian railroads will in a few days' time make certain definite proposals to the Railway Commission and having to do with that body's recent suggestion toward the elimination of surplus passenger trains in order that the movement of freight might be accelerated is the announcement made to the FINANCIAL POST by a leading C.P.R. official. It is understood that the proposal now under consideration, to be effective would have to consist of an agreement between the railroads to co-operate in any action as the chief hope of relief depends in doing away with overlapping resulting from competition.

The view of C.P.R. officials, however, is that the companies had already and of their own volition pared the passenger service down to the limit of the efficiency at present required, and that the wisdom of any further action along this line is questionable. In fact some communities have lodged protests as a result of recent action in this respect, claiming that the railroad was neglecting their needs. It is emphasized, however, that the railroad managements wish as far as possible to meet the government's wishes in so far as it can be done without serious inconvenience to the public.

Such a change as suggested would materially reduce operating expenses, which would in turn be partially offset by a decrease in gross revenue as the effect of such a change would be to expedite freight traffic rather than to increase it. Munitions, coal, coke and foodstuffs are the items mentioned as of most importance in this movement.

Primarily, however, the proposed change is held to be a national matter and Grand Trunk officials state that the inconvenience which at most will be slight should be borne uncomplainingly by the public, as any inconvenience they suffer will be more than made up by the gain to the nation. It is less a matter of reducing opportunity for travel than facilities. For instance, in cases where the trains of competing roads on the same run leave at the same time, it is considered that one train may be discontinued, thereby eliminating the traveller's choice of trains but not his opportunity of travel. Complaints, if any, will probably only occur in the case of the smaller towns on the runs affected.

The most important gain accruing from such a move, from the railroad point of view, would be the release of train crews, engines and right of way for needed freight traffic. The last item is said to be very important, as freight trains are now often held up for long periods owing to the preference in right of way being given to passenger traffic. The roads have been under a great strain for some time past and both they and the Railway Commission have long realized that something extraordinary must soon be done to relieve the situation.

HEAVY IMPORTS ARE AFFECTING TRADE BALANCE

Overplus of Exports Not So Large as Shown a Year Ago.

PEACE TALK'S WIDER EFFECT

Influence on General Public is Indicated in Fact That Advances in Commodity Prices are Not So General.

The New Year has opened on a period in which world-moulding events are to be anticipated. For this reason the trend of business is likely to be more or less irregular. There appears to be little reason for altering the opinion that Canada's prosperity will continue while war orders continue and the great war creates a demand for food stuffs relatively large in proportion to supply — resulting in high prices. At the same time the recent flurry in the stock market has brought home to the public in a more general way the fact that peace is likely to mean adjustment of conditions. This has been appreciated by those who have given careful thought to the present activity in munitions manufacture and the rise of wages through the shortage of man-labor, but it took the actual decline in securities to cause general appreciation of the fact that there was a tendency to regard the future over-confidently.

The turn of the year finds public opinion in a less nervous state than for some weeks, but it is evident that from this time forward peace will be considered as an ever possible factor in the situation. An indirect result of the stock market adjustments has been that a brake has been put upon the advancing prices of comodities and particularly those affecting the rising cost of living. This is a change to be welcomed and it is to be hoped it represents the appreciation of the popular mind of the necessity for seriously regarding the future rather than a mere relaxation following the holiday buying.

Despite a million dollar increase in her exports for the year ending November over the year ending September, Canada's favorable balance of trade has fallen from $367,,647,000 to $306,437,516 due, of course, to the increase in imports that has been noted in other columns of this number of THE POST. This tendency began in October when a new upward movement in imports began and the favorable balance fell to about $335,000,000. This is in marked contrast with the advance in the favorable balance a year ago though, of course, this year the favorable balance is much higher than it was at that time. A point worth noting is that while exports of merchandise were only $109,588,950 for the month of November 1916 against $94,436,093 in 1915, imports were $72,690,791 against only $45,217,559 a year ago. In one year imports have almost doubled and the advance has been very steady indeed.

Mdse. only.	Sept.	Nov.
1915		
Exports .. ....$	517,982,000	$ 559,152,052
Imports	417,183,000	435,249,966
Balance .. ..$	100,799,000	$ 123,902,086
1916		
Exports .. ....$	1,052,925,000	$1,053,840,861
Imports	685,278,000	744,403,345
	$ 367,647,000	$ 306,437,516

During the twelve months ending November $46,170,398 of coin and bullion were imported and $196,422,615 exported so that Canada has $150,000,000 less gold than she had a year ago. This is a somewhat irregular item due to the exigencies of war; indeed before the war the gold movement was so small that it was not thought worth while to indicate the figures separately in discussing the balance of trade.

BRUCE CHARGES ESTABLISHED ON VITAL POINTS

Board of Enquiry Concurs in a Number of His Recommendations

BUT TERMS THEM "MINOR"

Laxity in Medical Examination of Recruits in Canada Is Shown—Inspection Should Have Been Established Earlier.

The report of the Board of Enquiry into the Canadian Medical Services, folowing on the report by Colonel (Dr.) Bruce, creates a difficult situation. Colonel Bruce criticized the service sweepingly and made a number of recommendations for a very thorough reorganization. The Board of Enquiry takes exception to his criticisms, exonerates the heads of the service on most points and concurs with Colonel Bruce only in certain of his recommendations which are termed "minor."

Until the full report is obtainable it will be impossible for Canadians at home to judge accurately between these two strikingly divergent statements. It would be unfair to suggest that the Board of Enquiry report is an official "whitewash" although to those who read the Bruce report, it must appear in that light, to some extent at least. Although the Board brushes aside the Bruce criticisms, there crops out through their report admissions that all was not well; and it is not likely that to Canada at large the Bruce recommendations in which the Board concurs will appear as "minor" in any sense. They are vitally important.

The reports clash on the point of medical efficiency as opposed to military expediency. Colonel Bruce aimed to effect the highest degree of medical efficiency; the report of the Board of Enquiry takes the ground that his proposals are impossible from a military standpoint. There is however, another viewpoint which to some extent at least must be the viewpoint of the nation at large; and that is the point of administrative efficiency. It is important that this branch of the service should be well and thoroughly handled. The report of the Board of Enquiry does not confute the statements of Col. Bruce which established the fact that the handling of the service had in some respects been lax.

There is the matter of soldiers accepted in Canada for service and rejected as unfit on reaching England. Colonel Bruce established the fact that the number of recruits thus rejected was extremely large, pointing to laxity on the part of the examining officers in Canada. On this point the Board of Enquiry reports:

"No soldier should be permitted to cross the seas without having been classified by the Medical Board, as fit for general service. The board has come to the conclusion that this important matter has not received the attention it deserves and that the authorities here have failed to make adequate representations regarding the conditions of affairs that must severely handicap the force as regards organizatiion."

Every man accepted for service and afterward rejected means an unnecessary loss to industry which is now so sorely handicapped for men that no man who cannot serve at the front can be spared. Where his rejection comes on the top of months of training in Canada and a more or less lengthy stay in Britain, it follows that the country has lost every cent spent on him. The man himself is out the difference between what he could have earned at home and his military pay. Industry has lost his services for that length of time. Multiply the loss on a single man by thousands—for rejections in England have been heavy—and it will be seen that the laxity in this branch has cost the country an incalculable amount.

Canadians will not be inclined to regard this as a "minor instance".

Treatment of Wounded.

In the public mind the main point will be as to whether the wounded were receiving proper attention. Dr. Bruce says the service was not all it should be. The Board of Enquiry declares that it was as efficient as possible under conditions imposed by military necessity. Still the report of the Board leaves ground for grave doubt when it says:

"In its opinion the reforms he (Col. Bruce) suggests would not remedy the defects he deplores, which are not due to the system, but to inexperience on the part of the officers, military and medical, and to defaults in administration.

Especially will doubts persist when in treating the matter of inspection of Canadian wounded in the hospi-

(Continued on page 6.)

VANCOUVER DRYDOCKS FLOAT BIG BOND ISSUE

New Company on Coast Successfully Finances Big Enterprise for Burrard Inlet.

Having been successful in placing a $2,000,000 debenture issue in the East, the Vancouver Drydocks, Ltd., a local enterprise, will immediately begin construction of a floating drydock on the north shore of Burrard Inlet, opposite Vancouver. The graving dock to be constructed on the North Vancouver side and about which so much was written about two years ago, has apparently fallen through, no visible action being taken. The present intention is to build a 16,000-ton multiple pontoon dock, which will be capable of handling the largest vessels entering this harbor. Enlargements will be added as necessity demands. The promoters plan to have everything in readiness for operation by the end of 1917. The contracts for construction have all been let. The construction of modern docks of this type will meet a long-felt want among shipping men, our present facilities making it necessary for the larger vessels to be overhauled elsewhere.

HARDWARE MARKETS.

Higher Prices Predicted for Iron and Steel Products.

Hardware and Metal this week will say:—The year just closed has been a prosperous one for the Canadian hardware trade, despite the great difficulties experienced in securing supplies. The outlook for 1917 is exceptionally bright, and retailers are buying freely, but cautiously. Deliveries of many spring booking orders will be made earlier this year than in previous years. The demand for iron and steel is as insistent as ever. Deliveries of sheets are hard to obtain and jobbers' stocks are being rapidly reduced. Higher prices than the high prices now in effect will become inevitable before long. Owing to high costs of raw materials and production, many stove manufacturers have found it necessary to advance prices. A large number of other important price changes have gone into effect this week, and include advances on black and galvanized iron pipe, sisal products, pipe couplings and nipples, machine screws, screw and strap hinges, revolvers, lath yarn, vises, sisal clothes lines, halters, plow lines, horseshoe nails, coal oil, axes, snow shovels, hay baling wire, conductor pipe, stoves, picks, grindstones. Many travelers are again out on the road, following the usual Xmas holiday period.

RETIRING BONDS.

British Columbia Sulphite Fibre Co. Will Take Up Issue.

First serial 6 per cent. bonds amounting to $65,000, of the British Columbia Sulphite Fibre Co., Ltd., are being retired on maturity, January 2, 1917, according to information received by THE POST from the company.

CANADA GETTING COLOSSAL NEW SHELL ORDERS

Expected That Aggregate of Munition Contracts Will Be $400,000,000.

WERE INTENDED FOR THE U.S.

One Montreal Concern Has Order in Excess of $150,000,000—Will Give Tremendous Impetus to Prosperity of Canada.

British munition orders, aggregating hundreds of millions originally destined for the United States are now being handled in Great Britain and Canada. Announcements of the cancellation of extensive orders placed in the United States have been made from time to time during the past few days, but the full magnitude of the new business that will be received by Canada is only just being realized. For instance, it has been learned that an order for shells larger than the biggest contract placed in the United States last year has been awarded to the Montreal Locomotive Co., Ltd., the Canadian branch of the American Locomotive Co. As the Bethlehem Steel Corporation last year received an order amounting to $150,000,000, the Canadian order is probably between $175,000,000 and $200,000,000.

The steel manufacturers of the United States have known for some time that very few more orders for complete shells would be placed in that country, but it was not for a moment believed that Canada's facilities were equal to handling such colossal business. It is estimated that the aggregate of shell orders that will be placed in Canada this year will be in the vicinity of $400,000,000. These figures are staggering, and are fraught with a tremendous economic significance to the people. The United States as a result mainly of the munition contracts executed for the Allied Governments, has enjoyed two years of unprecedented prosperity. Hundreds of new millionaires have been created and money has flowed like water. The golden stream has left its influence upon nearly every class of the country's population.

A Cincinnati despatch to the New York Evening Post reviewing the situation in that city states that in Cincinnati alone there are over thirty more millionaires than there were a year ago.

Millions have been added to the market values of the securities of the various corporations in the United States that have profited by this munition business, and the banking business of the country has broken all records.

This is what the munition business has meant to the United States with its hundred million population and its highly organized industrial system and great export business.

The impetus that Canada with its scanty eight millions of people will receive from the increased orders that are being placed here now and will be placed later will be tremendous. It is a kind of prosperity that we do not covet; nor does it bring any thrill of exultation. On the other hand it will mean that the great struggle that has taken our best and bravest and has devastated Europe is still on, but the purpose of this article is merely to deal with the material aspects of the situation.

In seeking for an explanation of the action of Great Britain in cancelling the contracts New York finds it in the increasing facilities of Canada and Great Britain and in the attitude adopted by the U.S. Federal Reserve Board in warning bankers against the purchase of British and French treasury bills.

The United States is anticipating that Canada will be coming across the line for money to finance [illegible] munition contracts which [illegible] ed [illegible]

BANK OF MONTREAL
Established 1817

Capital Paid up, $16,000,000. Reserve Fund, $16,000,000.
Undivided Profits, $1,414,423.
Total Assets - - - $365,215,541.

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The Standard Bank of Canada
QUARTERLY DIVIDEND NOTICE No. 105

NOTICE is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st day of January, 1917, and that the same will be payable at the Head Office in this City, and at its branches on and after THURSDAY, the 1st day of February, 1917, to Shareholders of record of the 22nd of January, 1917.

The **Annual General Meeting of Shareholders** will be held at the Head Office of the Bank in Toronto, on **Wednesday, the 28th of February next,** at 12 o'clock noon.

By Order of the Board,
G. P. SCHOLFIELD,
General Manager.
Toronto, December 19th, 1916.

The
London City & Midland Bank, Limited
Head Office:
5, THREADNEEDLE STREET, LONDON, E.C.

Subscribed Capital -	$114,739,020
Paid-up Capital -	$23,903,960
Reserve Fund - -	$20,000,000
Deposits - - - -	$787,696,280

Foreign Banking Business of every kind transacted
Bills Collected.
Bills Bought and Sold.
Drafts Issued.
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[illegible] Banking and Foreign Ex nge Business Transacted.

NEWS [illegible] CURITIES—Better Tone with [illegible] ew Year

STEEL S OCKS

That there is little hope for the immediate success of the effort to begin peace negotiations is now the general opinion of the stock market and steel stocks have begun to pick up again. At the same time the thought that from now on both sides will be groping towards a common point at which they can make terms is uppermost in the mind of Wall Street and that idea is apt to restrain speculative fervor. The market, even though temporarily strong, has not been a very confident one, and short covering explains part of it. The buying will have to be more general if advances are to be made permanent.

Peace stocks have been moving up, and some people are beginning to believe that steel stocks have some favorable peace features.

According to Colonel Cantley, of N. S. Steel and Coal, the prospects for 1917 are bright indeed. They depend on three chief facts. Firstly, Canada is exporting munitions in extraordinary quantities. Moreover, ships and steel cars are being built and exported. Prosperity in both of these branches is expected. Secondly, there will be no cancellation of war orders even should the war close. Thirdly, he believes that there will be a great demand for steel for rebuilding the devastated districts, while railway and other maintenance construction, which has been deferred, will demand huge volumes.

Something, however, depends on the post-war allied trade relations, and it is possible that too much reliance is being placed on this, and moreover in foreign trade Canada companies are at a considerable disadvantage by reason of their not being so highly specialized as mills in the United States. If the allied trade agreement does not go into effect Canada can probably only get what America will leave to her.

In 1917 the increase of production of steel will probably amount to about 15 per cent.

STEEL OF CANADA.

The Hamilton Company has been following Dominion Steel closely this last week rising from 65 to 69½. As usual it shared with Dominion Steel the chief activity. The two big leaders in the Toronto market this last year were Steel of Canada with 644,152 shares to its credit and Dominion Steel with 625,086 shares. Scotia turned over to the extent of 171,296 shares.

DOMINION STEEL.

The advance in Dominion Steel common from 65 to 70 is due in part to talk of a dividend in the first quarter of the year, if no reverses are met meantime. Persons closely connected with the company state that the profits for November, after interest and preferred dividends were paid show 30 per cent. for the year ending March 31, 1917, and that the surplus on that date will have become $15,000,000.

More important still are the facts presented in the statement of the company for the calendar year 1916 as follows:

"While no statement has been furnished of the financial results, it is generally understood that these exceed those of any former period. Larger amounts have been disbursed for wages than ever before, and the earnings of individual employees are at the highest level ever reached.

"Prospects for the New Year, so far as can be judged at the present time are good. The volume of the coal trade will be limited, chiefly by the shipping facilities, and to a lesser extent by the number of men available, but this limitation will diminish as new men become more expert in the work of mining.

"The tonnage of steel on order is sufficient to keep the works actively employed for several months, and so far there is no indication of any slacking in the demand for all the materials that the company can produce."

The approximate output for the year in tons, as compared with previous years was as follows:

	1916.	1915.	1914.
Pig Iron	348,000	309,800	334,101
Steel ingots	376,000	349,000	331,349
Rails	17,495	57,500	176,505
Wire rods	112,400	73,500	30,778
Wire products	47,500	34,000	32,414
Blooms, billets, etc.	150,000	.....	.....
Merchant bars	9,950	.....	.....

Large expenditures have been made during the year for improvements and extensions to plant, as well as for renewals. The tonnage of steel on order is sufficient to keep the works actively employed for several months, and so far there is no indication of any slackening in the demand for all the materials that the company can produce.

The coal output for 1916 is less than 4,500,000 tons as against 5,000,000 in 1915. Production of pig iron and ingots increased by 12½ per cent. and 8 per cent. respectively and in the case of ingots it is the largest on record for the company.

AMERICAN SITUATION.

Unfavorable features of the American iron and steel industry are due chiefly to the consequences of prosperity, the fact that the mines are taxed to the limit and that the labor supply especially in the coal industry is either inadequate or irritable or both. Domestic consumption is increasing rapidly, and new equipment is being purchased in many lines including the shipbuilding and transportation interests. Many plants have engaged their capacity for over a year ahead, contracts for 1918 are not uncommon and business is being turned down in considerable quantities. Prices for all lines are at phenomenal levels.

THE New Year opening in the stock market, while comparatively quiet, showed some renewal of strength. Pulp and paper stocks gained most of what they lost in the slump of December, although in common with others they declined toward the end of the week. Textiles and steel securities showed much the same tendency. The advance, despite the quietness is quite interesting. Attention has been turned especially to the mining market. In the steel group calculation of the peace factor is now a permanent consideration and the tendency to distinguish between "peace" and "war" stocks is increasing. It may be that peace has been fully discounted, but this is still doubtful. Some anticipate renewal of speculative buying, but many speculative accounts have been wiped out and the old delusion that there would be continued and uninterrupted advances in the market has been destroyed by the facts of the case. There is nothing inevitable about the stock market, especially for short time purchases except that the conservative investor usually in the long run gains at the expense of the over-confident speculator.

DOMINION STEEL FOUNDRIES.

The announcement of a 20 per cent. dividend on Dominion Steel Foundries stock last Saturday was not generally known, but it was sufficient to bring the stock up from 170 on Saturday to 193 on Tuesday, and it probably accounted for the recovery from 140 to 170 late last week as it was expected by interests close to the company, public announcement on Wednesday brought the stock back to 193 again, but it closed at 181½. The payment will be made January 17 to shareholders of record Jan. 10. This makes a payment of 60 per cent. in about 13 months. In August, 1915, the stock was at 22. New contracts are also reported.

LAKE SUPERIOR CORPORATION.

Lake Superior common has been active in Philadelphia again moving up to 21. The steel plant is situated in the centre of the Dominion roughly 1,500 miles from the eastern coast and 2,000 miles from the Pacific. It must be remembered, however, that it has good facilities for water transport to the East and to United States centres. It looks, however, especially to the West as its market. In the belief that there is a good market in the West and the centre of North America the Algoma Steel Corporation has engineers at work establishing a large mill for the manufacture of heavy structural steel.

SCOTIA.

Scotia opened the year with a three point gain over last week and it has continued to advance to 126⅝ over 112 at the last market in the old year. The interest has been due to New York activity and a report that the directors would announce dividends at a meeting to be held next week in New Glasgow.

TEXTILES

General Strength Shown by Trend of Security Prices—Montreal Cottons Strong.

An advance of three points in one textile stock, and evidence of firmness in the others this week, should further strengthen confidence in these securities. Apart always from superficial and momentary influences, as industrials their worth must be determined in the long run by the internal conditions of the mills, and the position of the trade that they are cultivating. Neither on the former score nor on the latter should there be anything but confidence on the part of the investor. Of this there is almost daily evidence. The technical end is being well taken care of by the mills, looking in most cases to a considerable development in the near future along safe and assured lines, and the selling end has been met by an eagerness to purchase that has filled up all possible output for spring, and is forcing cancellations by the mills of proffered business in order to make way for the fall season, which, for the mills, opens next month.

Early estimates of prices on fall lines of cottons run from 15 to 25 per cent. of an advance over spring quotations. These will cover amply the increased costs of manufacture, and the output seems certain to be taken up with an almost equal eagerness to that which awaited the spring "openings." Steady buying, both by the jobbers and the retailers, will be stimulated by the last U. S. Government report showing a shortage of some 3,000,000 bales in the 1916 crop, as compared with the estimated demand.

So far as the woolen mills are concerned, nothing is heard except higher prices from the wool to the finished product, and although buying by the public will be curtailed somewhat as a result of extremely high prices, the lessened output will more than offset this. Indeed with a larger percentage than ever of British imports cut off, Canadian mills, even if running to normal capacity, could not hope to supply the domestic demands.

While wool went up 5 to 10 per cent. during the last London sales, it would appear that the Canadian mills are fairly well supplied, as they anticipated their needs months ago. Most of them are not turning out much over 75 per cent. of their ordinary capacity, even where they are not seriously handicapped by labor shortage, for the standard of efficiency among the unskilled substitute employees falls far below the hundred per cent. mark.

CANADIAN COTTONS.

A. O. Dawson, vice-president of Canadian Cottons, Ltd., announces that the company is devoting itself to a strengthening of its position all the time in anticipation of a period of dullness after the war. An important part of this policy consists of plant betterments, particularly in the matter of new machinery and with especial reference to all manner of labor-saving devices. The failure of high prices to curtail consumption in cotton goods is touched upon, as is also the increasing strength of the general situation.

The fact that a shortage of 3,000,000 bales in the world's crop as compared with the needs is taken by Mr. Dawson to indicate a further accentuation of the present tendency. Although stocks of manufactured goods are very low, those of raw cotton are larger than usual, as the present state of the market has made it necessary for the management to cover all sales by timely purchases of the raw material entering into manufacture of the goods sold.

There were a few sales of the stock during the week at 56, which is 2 points higher than at the close of the year. The preferred sold at 78 to 80. During the year 1916, the common ranged from a low of 37 to a high of 70.

MONTREAL COTTONS.

A three-point gain since last week in the market price for Montreal Cottons, from 55 to 58, appears to reflect the reconsidered opinion of the public toward any textile security that is operating on a sound basis. Although this is a mid-season period in the trade and little of direct importance to financial returns is occurring, it is known that the company is steadily working toward an extensive improvement of its position in all respects, from the standpoint of production, efficiency and a reserve of resources.

The stock sold up to 58, as compared with 55 last week. During 1916 the lowest was 50, and the highest 63.

PENMANS.

This stock—whether from the belated influence of the announcement of a bonus of 1 per cent. to come into effect next month, would be hard to tell—advanced three points from the close of 1916 at 70. There was a fluctuation of 18½ points in this during the past year, the low being 59½ and the high 78.

DOMINION TEXTILE CO.

This stock has held steady at 81 during the week, a gain of ½ point from the close of 1916. During last year it ranged from 74 to 90½.

PULP AND PAPER

Group of Active Stocks Makes an Aggregate Gain of 23¾ Points During the Week

As pointed out last week the seven active pulp and paper stocks on the Canadian stock exchanges sustained an aggregate loss of 76½ points in the slump of December 21. It was further shown that during the following week and up to the close of business on December 28, these stocks enjoyed a recovery of 34 points, or very little short of half the loss experienced in the decline. This week it is possible to show that the improvement has been continued. As indicated below six of the seven stocks have had advances, while the exception, Spanish River Preferred, has only gone back one point. The net result has been to bring the pulp and paper stocks 23¾ points nearer to the level from which they were shaken two weeks ago. A further gain of 18¾ points would carry them, taken collectively, to the latter level.

While in contrast with the fall boom in the paper stocks, business has been limited, the year has opened with fair activity in these securities. Brompton Pulp has been the most active issue. On Wednesday and Thursday this stock enjoyed quite heavy demand, sales being larger than on almost any day since the shares were dealt in on the exchanges. The record for the week is as follows:—

	Close Dec. 28	Close Jan. 4	Gain
Laurentide	190	195	5
Riordon	115½	126	10½
Spanish Com.	17¼	18½	1¼
Do., Pref.	60	59	*1
Wayagamack	96	97	1
Brompton	54	61	7
North American	9	9	..

*Decline.

No intimation has as yet been received from Ottawa as to what the governmental action in the newsprint difficulty is to be. Sir Thomas White indicated two weeks ago that some announcement would likely be forthcoming within the next week but so far nothing has been heard from him. It be that he is postponing actio til he can discuss the problem his colleagues in the cabinet, of whom have been away ov he holidays. In the meantime lishers are being supplied wit per by the manufacturers un an arrangement, by which the ll be charged the price to be dete ned by the government.

From W ington comes word that Attorney-G ral Gregory had taken over the fi of the Federal Trade Commission inquiry into the print paper mark, with a view to determining wh er there is a paper trust and t nstitute civil and criminal procee gs against manufacturers or o ers who may have violated the an-trust laws. Of course Canadian nufacturers would be outside the risdiction of American courts in th natter, but their agents in the Unit States would not.

It is repo that stocks of newsprint on ha vith United States and Canadian m in November showed the heaviest ine of the year. This is the state t of the News-Print Manufacture Association. Tonnage on ha n November 30 was 53,224; on ber 31, it was 60,312, a decr therefore of more than 7,000 st The output of 43 mills reporti veraged 5,221 tons a day, a new record. Shipments in November led 145,095 tons.

Demand o anadian mills was particularly y during the month, as stocks in t n territory show a decline of 3,50 ons compared with minor increas shown in both October and Se mber. These mills, however, show substantial increase in production, e daily average being 1,827 tons mpared with a low for the mont f 1,613 tons. The daily average put of mills in American territo showed a small decrease.

It is evide hat unless economies practised by th publishers result in a material decease in consumption the mark will face an even more serious s rtage when the spring demand s in, the mills promise little in the of increased production.

L ENTIDE.

Laurentide sh are steadily regaining the ground lost the decline of Dec. 21. They then fell f 198 to 180. With sales on Thursday at 1 the stock is now within three points of e previous level. Of course, even at t, Laurentide is still considerably below e price attained when the boom in paper ocks was at its height in the autumn.

RI RDON.

There has been a even more marked appreciation in the ares of the Riordon Company during week. This stock reached 127 on We sday, selling up from a low of 115 in t previous week. It is now practically on same level as before the slump, though ike Laurentide, it is still far below t high-water mark attained in November.

SPAN RIVER.

Neither the pref d or common shares of the Spanish Ri Company have been active during the ek. Transactions in the preferred were all and all were put through at 59. The common did slightly better and on small transactions sold up from 16 to , closing at 18½ on Thursday.

ATTAGA PULP.

The appea nce of ther important paper issue o the Montreal market in ad dition to sev al that have already floated in the course of the last months has ra ed anew the discussion to the soundne of the paper boom.

The issue is eing handled by the Royal Securities Corp ation, of Montreal, in co operation with . D. Ross, of Toronto, vice president of th Nova Scotia Steel & Coal Company; E. P. Shove, of Colorado Springs, Colo., of the R Consolidated Copper Co.; Duncan C isho , of Toronto, and Bruce McKelvie, of H den, Stone & Co., of N.Y.

The company has a paid-up and issued capitalization of $2,000,000 of bonds, $1,500,000 preferred nd $2,000,000 of common stock. The pla is situated on the Mattagami River in rthern Ontario and is expected to be p ducing by June, 1917. It will be the sec d largest producer of easy bleaching sulph pulp in Canada and will produce 45,000 ns per annum.

B IPTON PULP.

Contingent n the report of earnings for the first ter ending January 31, the directors of Brompton Pulp & Paper Co. will make initial distribution of 1% in February, rding to the latest report. The stock is ly regaining its lost position. It sol wn to 43 in the slump of two weeks ut this week recovered to 62½, closing Thursday at 61. The highest point rea by the stock since it was introduced e market was 77.

TRAN PORTATION

Final Peri f Year Saw Decline in Earning Followed by Weak in Securities.

The fina riod of the year saw a considerab ecline in the total earnings of C dian railways as compared with year ago. The total of $5,694,309 wed a falling off of $589,897. the same time, it is interesting t s that the same total compared with $4,949,662 for the week ending December 21st, or an increase of $744,647. This would seem to indicate that the final period was adjusted to end the year, and this may have been more or less a factor in the comparative decline first referred to. In any event, it must be remembered that earnings last year were on a remarkably high level, and that the smaller 1916 crop must be considered as a factor in the returns of the lines operating in Western Canada; evidence of the latter is to be found in the fact that of the three systems the Grand Trunk showed a small increase against the declines of the Canadian Pacific and Canadian Northern.

Railway securities have been quiet in the recent trading, with declines registered; C.P.R. was chiefly affected. For a short time they held up against the peace talk decline on the ground that they were not war stocks, but later they felt the general influence under the opinion that the end of the war would unfavorably affect earnings. This opinion has been supported in a formal statement by Frank C. Trumbull, president of the Chesapeake and Ohio. Following are comparative figures for the period ending December 31st.

(For week ending Dec. 31)

	1916	1915	
Can. Pacific..	$3,065,000	$3,534,000	—$469,000
Can. North..	869,200	1,006,900	— 137,700
Grand Trunk.	1,760,109	1,743,306	+ 16,803
	$5,694,309	$6,284,206	—$589,897

CANADIAN NORTHERN.

For the month of November the gross earnings of the Canadian Northern Railway System amounted to $3,722,300 as against $3,535,200 for November the previous year, an increase of $187,100. Operating expenses amounted to $2,472,300 compared with $2,223,800, an increase of $148,500. Net earnings were $1,250,000 compared with $1,211,400, an increase of $38,600. The aggregate gross earnings from July 1, 1916, were $18,146,100, an increase over the corresponding period the previous year of $4,230,100. Aggregate net earnings were $5,472,300, an increase of $1,149,900. Comparative figures of the net earnings since July follow:

Net	1916	1915	Change
July	$1,197,400	$ 486,400	+ $711,000
Aug.	1,072,000	457,700	+ 614,300
Sept.	732,600	909,900	— 177,300
Oct.	1,220,300	1,257,000	— 36,700
Nov.	1,250,000	1,211,400	+ 38,600

The gross earnings of the Canadian Northern Railway System for the week ending Dec. 31st, 1916, were $869,200, and for the corresponding period last year $1,006,900, a decrease of $137,700.

From July 1st to date the gross was $21,631,500, compared with $17,351,600 in the corresponding period in 1915, an increase of $4,279,900.

CANADIAN PACIFIC.

The shares developed into a weak feature early in the week, selling off from 165 to 162½ on the opening day of the week. It was at this time that the announcement of the first serious Governmental interference with railroad control during the war was made. And although this action was not accepted as being necessarily injurious to the roads in its direct effect, it is thought that it indicated the trend in this direction and with the result noted. With the example of England before them it may be that the Canadian authorities will go further in the direction of usurping private control than the general public at present believe possible.

Net profits for the month of November reflect the largest decrease yet noted over the period of weakness that has developed since the early fall. Net profits for the month were $5,563,960, compared with $6,254,413 in 1915 and registering a decrease of $790,452. Gross earnings were $13,401,943 and working expenses $7,837,983 as compared with $13,351,283 and $6,996,870 respectively in 1915. Gross earnings from July 1 amounted to $64,291,097 and net to $23,[illegible]53,337, compared with $53,764,490 and $2[illegible]21,865, and showing gains of $10,520,607 and $1,931,471 respectively.

The gross earnings of the Canadian Pacific Railway for the last ten days of December amounted to $3,065,500, compared with $3,534,000 for the corresponding period in 1915, a decrease of $469,000. This was the only decrease shown for the month, as will be noted from the following comparative figures of the earnings for each week in December, together with the change over the corresponding period in 1915:

	Gross	Increase	%
December 7	$3,139,000	$93,000	3.0
December 14	3,106,000	51,000	1.6
December 21	2,979,000	34,000	1.2
December 31	3,065,000	*470,000	13.3

*Decrease.

GRAND TRUNK.

The gross earnings of the Grand Trunk Railway for the last ten days in December amounted to $1,760,109, as against $1,743,306 for the corresponding period in 1915, an increase of $16,803. The following figures show the earnings for the month, compared with the corresponding period in 1915:

	Gross	Increase	%
December 7	$1,151,306	$138,980	13.7
December 14	1,203,868	180,435	17.7
December 21	1,164,962	124,903	12.0
December 31	1,760,109	16,803	0.9

For the week ending December 7, the gross earnings of the Grand Trunk Pacific Railway amounted to £34,315, compared with £45,296 for the corresponding period in 1915, a decrease of £10,981. From July 1 to December 7, the amount was £505,5[illegible] a decrease of £95,493, compared with the corresponding period in 1915.

MINING STOCKS

Market Has Been Fairly Active All Week, With Prices Holding Firm and in Some Few Instances Showing Advances.

There has not been the heavy buying of mining stocks during the past two weeks which characterized market operations during the earlier part of December. At the same time, the mining market maintains its strength and business on the Standard Exchange is of fairly large dimensions. There have been few price changes, but nearly all that have occurred have been in an upward direction. In most other instances the levels of the previous week have been well maintained.

Summaries of results obtained by the mining companies of Canada during the year just closed serve to emphasize the increasing importance of the mining industry of the country, and attract attention to the securities of the more reputable mining enterprises. All the annual review numbers indicate that production has been greatly increased, that returns to shareholders are on a much larger scale, and that the outlook for still greater developments is of the rosiest.

During the week the annual statement of the Consolidated Mining and Smelting Company has been made public, and the monthly statements of Hollinger Consolidated and Dome Mines have appeared. All three show highly gratifying progress. The Consolidated Mining Company's report is dealt with elsewhere in this issue, and reference is made below to the figures issued by the two Porcupine companies.

There have also appeared the annual statement of the Coniagas Mines and the quarterly statement of the McKinley-Daragh-Savage Mines. The former, while indicating favorable general results, did not please the market, and a recession in the price of the stock resulted. The latter showed an increase in the cash holdings of the company, incident upon the better price for silver.

Silver metal has remained unchanged all week at 75⅜ cents an ounce. In explanation of the strength of the white metal during the past few weeks, Samuel Montagu & Co., London, state in a recent letter on the silver market that there are several causes for the strength of the metal. These may be enumerated, they say, as the greater role which silver is called upon to play in the scheme of local currency, now that gold is earmarked by many Governments for reserves or for external payments. The near approach of the Chinese New Year, which falls on January 23, is also material, for it not only renders sales of silver impracticable from that quarter, but it makes occasional purchases in America possible on account of China. The fact that heavy withdrawals of silver from Chinese currency have been made during the past year does not encourage the hope that supplies will be forthcoming from that quarter after the customary settlements connected with the Chinese New Year have been completed. Further, there is little reason to believe that the world's production is increasing, notwithstanding the high level of prices. Indeed, the contrary is possibly the case, for the position of the mines in Mexico is being aggravated by fresh difficulties.

CONIAGAS.

That the market did not regard the annual report of the Coniagas Mines with particular favor was evidenced by the action of the stock of this company. It was sold down from $4.90 to $4.55, following the appearance of the report. In his address to the shareholders, President Leonard described the year's operations as "fairly" satisfactory, and this about sums up the situation. The silver mined and shipped during the company's year amounted to a little over a million and three-quarter ounces, as compared with about two million ounces the previous year. Reserves were estimated on October 31 at 6,000,000 ounces, in addition to which there was something under a million ounces in the sand and slime tailings stacked up on the property. This estimate of the reserves falls below that of the previous year, owing to a careful re-survey and re-estimation under the new supervision.

DOME MINES.

There was a rise in the price of Dome Mines shares from $20 to $21.50 during the week, largely in response to the satisfactory December report which appeared on Thursday. The report showed that the Dome mill had treated 39,000 tons, this being the fourth largest amount milled in any one month during the year. The record was struck in October, when 40,200 tons were treated. A value of $183,300 of bullion was produced, which compares with $177,000 in November, and a high of $19[illegible]0 in May. The average value per ton was [illegible].70, which makes the best showing since July. Figures for the twelve months of the year range as follows:

1916 Month	Tons milled	Bullion prod'cd	Value per ton	Total cost per ton
Jan.	31,600	$175,639	$5,558	$2.77
Feb.	32,040	164,037	5,119	2.71
March	34,300	173,724	5,064	2.64
April	37,000	177,624	4,762	2.40
May	39,400	190,229	4,828	2.44
June	36,700	179,245	4,883	2.66
July	38,150	179,370	4,701	2.57
Aug.	40,010	179,530	4,487	2.55
Sept.	38,300	179,500	4,686	2.59
Oct.	40,200	185,000	4,601	2.69
Nov.	37,900	177,000	4,670	2.88
Dec.	39,000	183,300	4,700	2.77

HOLLINGER.

Reflecting the generally favorable character of the latest four-weekly statement issued at the first of the week, Hollinger Consolidated shares strengthened from $6.55 to $6.85. The statement shows that again the Company has been able to earn profits sufficient to cover the dividend, though this time the margin was smaller than in either of the two previous instances when the dividend payment was exceeded. Working costs are on the upgrade. These figure out at $3.746 per ton milled, which is ten cents higher than in the preceding four-week period. On the other hand, the average value of the ore treated was up from $8.62 to $8.78, so that the increased cost was partly offset. More ore was treated by the mill, but working time was considerably less, so that the net result was a drop in profits from $241,591 to $240,075. The outstanding figures of the report appear as follows, in comparison with the returns of the two previous reports:

Comparative Statistics.

	Oct. 6	Nov. 3	Dec. 1
Gross profits	$241,293	$241,591	$240,075
Current assets	497,882	447,033	438,814
Gold assets (est).	468,475	447,033	471,611
Deficit	239,740	238,148	238,072
Working costs	180,897	170,804	188,468
Do., tons milled.	3.634	3,419	3,746
Running time pos.	90.5%	93.3%	90.5%
Ore treated (tons)	49,770	49,956	50,304
Average value	9.07	8.62	8.78

McINTYRE.

McIntyre enjoyed its usual advance this week and sold up from $1.88 to $1.95, afterwards going back to $1.91. There was a rumor during the week that the company's initial dividend might be declared on Friday, but this story was quite without foundation as no meeting of directors was held on that day. In fact, no call has been sent out recently for a directors' meeting. Now that the merger of the three McIntyre companies has been accomplished, developments will be proceeded with on a much more economical basis. Eventually all ore will be hoisted from one central shaft, doing away with a great deal of duplication of equipment.

B. C. COPPER.

The B.C. Copper Co. is planning the construction of a 2,000-ton daily capacity mill near Princeton in the Similkameen; also a 13-mile railway to connect the concentrator with the mines at Copper Mountain. The betterments will cost $2,000,000. The company's Greenwood smelter produced last year to the end of August, 3,455,578 pounds of copper, 8,555 ounces of gold and over 33,000 ounces of silver. The B.C. Copper Co. is a subsidiary of the Canada Copper Corporation.

AMERICAN CYANAMID.

Position of Common Stockholder Improved by Preferred Payments.

When the annual report of American Cyanamid came out in August, 1916, it showed a considerable improvement in current liabilities, the institution of a plant depreciation account of $295,000, and the absence of the bond issue. Since that time, on December 1, 1916, the company paid off the accumulated dividend on preferred stock amounting to 6 per cent. for the year ending June 30, 1915. This dividend was declared payable to holders of the stock of record as at the close of business on August 1, 1916. No dividend has been declared on common stock, but it is evident that the position of the common stockholder is considerably improved.

AMES HOLDEN.

Stocksharing in Gains Now Occurring on Markets.

Further gains are noted in the case of Ames Holden McCready Ltd., shares on the Montreal market following the comparatively slight reaction they suffered in the recent decline, so that on the ¾ advance of Wednesday which put the stock at 23¾ it is higher than for some time past. The street has adopted a rather non-committal attitude to this stock which the development of the general trade situation appears to be dispelling. The organization since D. Lorne McGibbon took hold of affairs has attained a high state of efficiency and reports indicate that the change is being felt in results.

BRANDRAM-HENDERSON.

Dividend Said to be Preliminary to Publication of Record Statement.

Although actual details of earnings are as usual withheld until the publication of the annual statement, the FINANCIAL POST understands that the forthcoming report of Brandram-Henderson, Limited, will reflect the best year the company has ever experienced. An initial 3 per cent. dividend was declared at the meeting held in Halifax late last week, on the $970,000 outstanding common stock.

In reference to the general situation President George Henderson states that: "The outlook was never so good. I do not remember any previous occasion at this time of year which showed as much unexecuted business as at present. The volume is large and it is fairly satisfactory in character. Prices are affecting consumption in some lines, but not in many, and in any case the resultant loss is made up by the increasing export demand. This is particularly true of the South American field, which is developing business in sections hitherto untapped by the Canadian trade, and for new purposes."

B. C. ELECTRIC.

Dividend on the Cumulative Preferred Stock Will be Paid.

According to recent information, the directors of the British Columbia Electric Railway Co. have not been able to recommend the payment of dividends on the deferred ordinary or the preferred ordinary stocks of the company for the year ending June 30, 1916. The dividend on the 5 per cent. cumulative perpetual preference stock will be paid. In 1915, 2½ per cent. was paid on the preferred ordinary stock and 5 per cent. on the cumulative perpetual preference stock, but the dividend on the deferred ordinary stock was passed. Nothing has been paid on this stock since June 30, 1914. The annual report of the company will be ready in a week or two.

The gross earnings of the British Columbia Electric Railway Company for the month of November amounted to $604,576, an increase over the corresponding month in 1915 of $41,794. Working expenses, maintenance, etc., amounted to $495,039, an increase of $16,396. Net earnings were $109,537, compared with $84,139, an increase of $25,398. The aggregate gross earnings from July 1 to November 30, were $2,807,147, compared with $2,636,479 for the corresponding period in 1915; aggregate net earnings were $405,340, an increase of $176,033.

BRAZILIAN TRACTION.

Increase in Net Earnings for November of 233,000 Milreis.

Gross earnings of the Brazilian Traction, Light & Power Company for November amounted to 6,943,000 milreis, compared with 6,336,000 milreis for the same month in 1915, an increase of 607,000 milreis. Operating expenses increased by 374,000, the amount for November, 1916, being 3,270,000, against 2,896,000. There was an increase in net earnings of 233,000 milreis, the amount for November, 1916, being 3,673,000, against 3,440,000. The net earnings for the eleven months of 1916, compared with the same period in 1915, are as follows:—

Net	1916. Milreis	1915. Milreis	Change. Milreis
Jan.	3,778,000	3,414,190	+ 363,810
Feb.	3,462,000	3,346,140	+ 115,860
March	3,717,000	3,588,570	+ 128,430
April	3,774,000	3,705,770	+ 68,230
May	4,043,000	3,991,980	+ 51,020
June	3,864,000	3,896,770	— 32,770
July	4,050,000	3,900,000	+ 150,000
Aug.	3,982,000	3,807,000	+ 175,000
Sept.	3,703,000	3,705,000	— 2,000
Oct.	3,821,000	3,907,000	— 86,000
Nov.	3,673,000	3,440,000	+ 233,000

CANADA CEMENT.

Street Accepts Latest Declaration as Establishment of 6 Per Cent. Basis.

Any doubts about the 6 per cent. dividend on the common stock of Canada Cement Co. were dispelled on Saturday last when the directors at a meeting in Montreal declared 1½ per cent. for the quarter ending Dec. 31. This follows two declarations of 3 per cent. in January and August respectively, which had the effect of raising hopes that are now considered to be confirmed.

The shares reflected the renewed strength that developed as a result of this action in a five-point rise on the opening day of the week. Under all however, there continues to be an undercurrent of unfavorable rumor in connection with over-borrowing and rejected shells.

CANADIAN CAR.

The Russian Contracts Have Now Been Completed.

The Canadian Car & Foundry Company's Russian contracts, which have been the basis of so many rumors since the initial order was secured, in March, 1916, have been completed several weeks ahead of the date recently mentioned by officials. Information to this effect has just reached the FINANCIAL POST. It is understood that the company will now concentrate on other munitions orders recently secured. A number of Montreal companies which held sub contracts from the Car Company will be affected by the closing of the main order. The companies thus affected, together with their daily contribu-

(Continued on page 4.)

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,000,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
JOHN AIRD - - General Manager
H.V.F. JONES - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

Collections

Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED.

THE DOMINION BANK

HEAD OFFICE, TORONTO

SIR EDMUND B. OSLER, M.P., President
W. D. MATTHEWS, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of
The Dominion Bank
At 73 Cornhill, E.C.,

Conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

ESTABLISHED 1875

IMPERIAL BANK OF CANADA

CAPITAL PAID UP $7,000.000 RESERVE FUND $7,000,000
PELEG HOWLAND, President E. HAY, General Manager

HEAD OFFICE: TORONTO

Dealers in Government and Municipal Securities. Dealers in Domestic and Foreign Exchange. Careful attention given to accounts of Merchants, Manufacturers and Farmers.

17 Branches in Toronto—119 Branches in Canada.

UNION BANK OF CANADA

Established 1865

HEAD OFFICE - WINNIPEG

Paid-Up Capital ....$ 5,000,000
Reserves 3,400,000
Total Assets ....over 109,000,000

John Galt ....President
G. H. Balfour ....General Manager
H. B. Shaw ......Assistant General Manager

This Bank, having over 305 Branches in Canada extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.

Travellers' Cheques and Letters of Credit issued payable all over the world.

Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.

Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) Office, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureau established at that Branch.

CORRESPONDENCE SOLICITED

THE MOLSONS BANK

INCORPORATED 1855

Capital Paid Up - $4,000,000
Reserve Fund - - 4,800,000

HEAD OFFICE, MONTREAL

96 Branches Scattered Throughout Canada

Edward C. Pratt, General Manager

NEWS OF SECURITIES

(Continued from page 3.)

tion of 3-inch shells in this order, are as follows:—

Lymeburner, Ltd., 2,000 three-inch shells daily; Dominion Bridge, 2,000; Lachine Mfg. Co., 2,000, and A. B. See Elevator Co., 400. In addition to the foregoing, the Car Company itself turned out 500 daily.

This marks the closing of the Russian shell business in Canada.

Car and Foundry shares made a strong bid for notice with the opening of business in the New Year by gaining 6 and 6½ points and advancing to 43 and 85 for the common and preferred respectively.

CIVIC INVESTMENT.

Recent Trading Has Taken on Investment Character.

Shares continue to be one of the less spectacular standbys of the Montreal market. Although sales are comparatively small, the extent to which the stock withstood the recent decline has caused a renewed study ot it. It is thought that the fact that it represents a well known home industry with a good record may partially account for the conservative nature of the trading which is said to have taken on an investment character. The history of the Montreal Light, Heat & Power Company is recalled in explanation of this theory on the assumption that history may repeat itself.

CANADA STEAMSHIPS.

Looking for Big Passenger Earnings Next Season.

With the opening of the new year, the prospects for business in all departments of the Canada Steamships Lines are understood to be equally as good as last year's. This was to have been expected in the case of the freight business, provided no great upheaval should occur, but it comes in the way of news as regards passenger business. Although figures are not out yet, it is known that passenger earnings in the June to September tourist season were the largest known and it is these earnings which constitute about 35 per cent. of gross revenue—which are now expected to be equalled, or perhaps exceeded in the coming year.

There is no lack of confirmation of the theory recently advanced in these columns to the effect that the Canada Steamships management had in view a well-defined policy of enlargement which would eventually make it as powerful at sea as on inland waters.

DOMINION BRIDGE.

Company Makes Splendid Record on Shell Work.

The number of rejections of 9.2 shells made by the Dominion Bridge Company and its subsidiaries, are so low that it has made a new record for the eight or ten companies working for the Canada Car and Foundry Co. on the Russian order, specifications for which are very close. Less than 500 shells have been rejected in the order despite the fact that 2,000 shells a day were being turned out. In one day nine inspectors passed 10,000 shells, whereas it took five to pass 400 at another plant, where the work was inferior. As a matter of fact, rejections on these large shells are expensive.

The stock of Dominion Bridge has been very quiet since the first few days after the recent publication of the report on earnings. It has, however, risen from 164 at the end of the year, to 168½ in the middle of the week.

DETROIT UNITED.

$2,500,000 of New Stock to be Issued This Year.

The shareholders of the Detroit United Railways have been circularized advising them that $2,500,000 of the new stock will be issued this year at par in the ratio of one in five. The total revenue for November was $1,390,350, an increase of $215,311. Increase for eleven months, $2,645,869. After expenses the net for month was $435,500, an increase of $90,510, and $912,109 inc. for eleven months. Surplus after interest and taxes was $250,602, an increase for the month of $96,373. Total surplus for eleven months, $2,606,883, increase $866,257.

The resumption of after the holiday trading in other than the utility stocks for a time tended to put the latter in the background from a market standpoint. However, Detroit soon developed evidence of strength and by midweek had equalled the high of last week's record.

MONTREAL LOCOMOTIVE.

Canadian Branch of American Concern Gets Big Munition Order.

The Canadian branch of the American Locomotive Co., has secured an order for munitions worth, according to the New York Times, $175,000,000 to $200,000,000. It has been a surprise to Americans that orders would go to Canada henceforth almost entirely and to learn that Canadian capacity has been increased so greatly.

SHAWINIGAN.

Further Developments Planned to Utilize 250,000 h.p. Additional.

Julian C. Smith, vice-president and managing director of the Shawinigan Water & Power Co., announces that the Canadian Electrode Co., Limited, the new plant of the Shawinigan Electric Metals Co., and the large plant of the Canadian Electro Products Co., all located at Shawinigan, are now in operation.

During the past year the new plant of the Laurentide Power Co. at Grand Mere, has been put into operation, and is to-day delivering about 60,000 h.p. Further developments are possible at Shawinigan Falls, Grand Mere, and at the Gres Falls, a power development owned by the Shawinigan company on the St. Maurice River just below Shawinigan, which make available within the next few years 250,000 h.p., in addition to the 100,000 at present generated.

New chemical industries have been developed during the last two or three years, and one of the results of this has been the extraordinary development in the use of power at those points where power is available. This is due principally to the development of such chemical industries as the manufacture of aluminum, calcium carbide, magnesium, and other chemicals which are largely used for war purposes.

The shares became a feature of the power utility group early in the week when during a period of comparatively small gains the stock rose 3¼ to 130½, ex-dividend.

SMART-WOODS.

Year Just Closed Equal to Best Ever Experienced.

The annual statement of the Smart-Woods ,Ltd., which will be shown on the occasion of the next annual meeting, which will be held between February 1 and 15, will, according to officials, prove the year just closed to have been equal to the best experienced by the company since its inception in 19[illegible]. Total profits were $464,998 in 1915, and $108,627 in 1914. The surplus for the year in 1915 was [illegible],724. A bond issue of $500,000, bearing 6 per cent., was made in July 1916, to liquidate back indebtedness.

A very satisfactory state of affairs prevails in the company's trade at present, in spite of the fact that it is entirely dependent upon its normal trade, and gets no war business other than as its customers are stimulated by war orders. Staple lines make up the bulk of business, flour and cement sacks constituting a most important portion of same. The advance in wheat temporarily checked the demand for flour and cement sales are not yet up to previous records, so that the maintenance of a good demand for the bags is the more surprising. The future in respect to these lines is largely contingent upon the demand for the commodities, for which sacks are required, but the prospects are said to be very good.

TORONTO RAILWAY.

An Increase of 12,608 Shown in Receipts for 1916.

The gross receipts of the Toronto Railway Company for the year 1916 amounted to $5,8[illegible]905, an increase of $212,608, as compared with the figures for 1915. The city's percentage amounted to $9,090, an increase of $42,436. The receipts for December, 1916, amounted to $52[illegible],795, and the city's percentage $63,247.

The gross receipts are not quite equal to those of the record years of 1913-14, when they were $6,056,005.92 and $6,052,512.15 respectively, but they are an indication that the volume of traffic is still increasing notwithstanding the fact that there had been a decrease in the population of the city due to the war.

TRINIDAD ELECTRIC.

November Net Earnings Showed Gain of $2,530.

The gross earnings of the Trinidad Electric Company for the month of November amounted to $22,430, compared with $20,947 for the same month in 1915, an increase of $1,497. Net earnings were $9,462 as against $6,932, an increase of $2,530.

WINNIPEG ELECTRIC.

November Net Earnings Amounted to $42,778.

The gross earnings of the Winnipeg Electric Railway Company for November amounted to $282,899, leaving net, after fixed charges were provided for, $42,778. For the first eleven months of 1916, the gross amounted to $3,023,229, compared with $3,122,625 for the corresponding period in 1915, a decrease of $99,396. Net earnings were $1,084,136, compared with $1,086,631, a decrease of $2,495. The following is a statement of the earnings for the eleven months of 1916, compared with the same period in 1915:—

	11 months 1916	11 months 1915	Change
Gross ..	$3,023,229	$3,122,625—	$99,396
Operating	1,939,152	2,036,094—	96,942
Net ...	1,084,136	1,086,631—	2,495
Fixed	652,874	712,379—	59,505
Surplus ...	431,262	374,152+	57,110

The Westminster Trust Co. of New Westminster has just negotiated the sale of 40,000,000 feet of standing timber at Pitt Lake, near Westminster, to H. G. Howard, of Pennsylvania. Mr. Howard is preparing to build a sawmill during the coming summer. Logging operations will be commenced soon.

Canada's Premier Province Ontario

PROVINCE OF ONTARIO

Seat of Government—Toronto.

Lieut.-Governor: His Honor Lieut.-Colonel Sir John Hendrie, K.C.M.G., C.V.O.

THE CABINET:

President of Council and Premier	HON. W. H. HEARST
Attorney-General	Hon. I. B. Lucas
Treasurer	Hon. T. W. McGarry
Secretary and Registrar	Hon. W. D. McPherson
Minister of Education:	Hon. R. A. Pyne, M.D., LL.D.
Minister of Agriculture:	
Minister of Public Works:	Hon. F. G. Macdiarmid
Minister of Lands and Mines:	Hon. G. H. Ferguson
Without Portfolio:	Hon. R. F. Preston Hon. W. G. Hanna
Chairman of the Temiskaming and Northern Railway Commission	J. L. Englehart, Esq.
Commissioner of Agriculture	Dr. G. C. Creelman
Chairman of the Hydro-Electric Power Commission of Ontario	Sir Adam Beck

VT·INCEPIT
FIDELIS
SIC·PERMANET

ONTARIO stands out head and shoulders above all other Canadian provinces in any lining up of the factors of material wealth and prosperity. In population, industry, education, agriculture, mining and other phases of development, Ontario is pre-eminent.

To all this must be joined Ontario's strategic position, geographically considered. Her boundary line is remarkable in that it touches all the Great Lakes—Superior, Huron, St. Clair, Erie and Ontario. It skirts for a long distance Canada's chief river highway—the route of the St. Lawrence. Another great river, the Ottawa, bounds Ontario. To the north the province touches James Bay, the southermost portion of Hudson's Bay, and so has immediate contact with a salt-water body. Westward, her border is on the threshold of one of the world's greatest granaries.

No other province of the Dominion rivals her in the possession of these tremendous advantages, and no other province ever can.

Ontario's Population.

Another asset of prime value is the character of the population of the province—practically a homogeneous people, and mainly of British origin, speaking the English tongue; notable for industrious habits and progressive spirit. The population is estimated at 2,750,000.

In Western Ontario, called the Western Peninsula—that district lying westward from Toronto, bounded by the waters of Lakes Ontario, Erie, St. Clair, Huron and the Georgian Bay, is the great industrial region of Canada. Here settlement is compact and dense. Here railways form a great network of communication with ports and markets. Here the remarkable Hydro-Electric System has reached its greatest development. Here farmers are most prosperous.

Ontario's Numerous Cities.

In Western Ontario, cities and towns abound. You have Toronto, Hamilton, Brantford, London, Guelph, Woodstock, Windsor, Stratford, St. Thomas, Sarnia and Owen Sound, as cities. No other province of the Dominion contains so many cities as does this one region of Ontario. Then on the East, there are these other cities—Peterborough, Belleville, Brockville, Kingston and Ottawa.

Ontario Agriculturally.

In Ontario Canadian farming operations have reached their ripest development. While as a wheat-growing region it does not compare in extent with the West, yet in the matter of mixed farming—the ultimate goal—Ontario stands an easy first; and this on a cultivated area much less than that of the cultivated plains of the great wheat areas of the prairie provinces.

In this connection, New Ontario is to be reckoned with—a vast region awaiting settlement, and admirably adapted to the growing of cereals.

$1,000,000 Daily From Ontario's Farms.

Ontario's agricultural production on an average of several years' returns, approximates $365,000,000, or at the rate of $1,000,000 a day. This estimate is made up as follows:—

Field Crops	$199,000,000
(or 3 per cent. of all Canada's)	
Dairy Products	36,000,000
Fruit	26,100,000
(75% of all Canada's fruit is grown in Ontario)	
Tobacco	2,000,000
Live Stock	93,000,000

Ontario's Agricultural Possibilities.

New Ontario has been referred to, with its vast, arable, but as yet but little cultivated areas. In this connection it is interesting to record that Ontario has 230 million acres of land, of which less than 14 million are under cultivation. Other 20 million acres—in New Ontario—await the plough—land the finest kind.

Ontario's Forest Wealth.

Ontario has 200,000 square miles of wooded land, much of it yet virgin forest. Last year's timber-cut was valued at $40,000,000.

Forests suggest waterways, and waterways water power. Ontario has in addition to the Great Lakes and the Ottawa and St. Lawrence Rivers as great highways of shipping, five great canals, through one of which, that at Sault Ste. Marie, passes the largest amount of tonnage per annum of any canal in the world. This is eloquent testimony to the immensity of the water-borne freight in this province.

In passing it is to be recorded that the re-constructed Welland Canal, on which $50,000,000 is being spent, is nearing completion, and when it is ready the lake freight traffic, of great advantage to Ontario, will be wonderfully increased.

Ontario Hydro-Electric System.

In regard to water-power, the chief development is the Hydro-Electric System which covers, practically speaking, the whole of the older-settled portions of the province. This enterprise has in the few years of its history achieved remarkable success. While the water-power necessary to produce current is developed at various points, the principal source of electric energy is the Falls of Niagara. All told upwards of [illegible]00 miles of 110,000-volt power lines, and 1,250 miles of lower tension lines (44,000 volts or less) have been constructed and are under operation. The rates charged to municipalities, industries and other consumers are from $15 per h.p. per year upwards, according to the amount used. The ability to provide cheap electric power in districts well supplied with distributing and other manufacturing facilities, has given manufacturing in Ontario a great fillip. Not the least interesting and significant fact in this connection is the steady inflow of American capital into Ontario for the purpose of erecting Canadian branch plants, the better to take care of trade already established. Between 400 and 500 American manufacturers have branch factories in Ontario.

Railways of Ontario.

The gross mileage figures of Ontario's railways are 10,000—this in round figures. More accurately stated, these figures are 10,100 miles of steam railways and 775 miles of electric railways.

One railway system, the Temiskaming and Northern Ontario Railway, is owned by the Province. This railway connects Northern Ontario with Toronto and will be a factor of ever-increasing importance in the Province's agricultural, mineral and lumbering development.

ASSETS

31st October, 1916.

Sinking Funds, Balances in hands of Banks and Dominion Government, Railways, Hydro-Electric Properties, Government Buildings and Lands connected therewith and Agricultural, Mineral, Timber Properies and Water Powers, owned by the Province (estimated) $545,079,549

LIABILITIES

Total Funded Debt, Indirect Liabilities, and Guarantees (fully secured) 67,059,629

Annual Revenue .... $12,975,[illegible]2

Assessed Value of Taxable Property in Ontario .... $2,090,000,[illegible]0

Area, 407,252 square miles. Population, 2,750,000

The Province of Ontario has over one-third of the total population of Canada and supplies over 45% of the total annual production of the Dominion, as follows:

	Ontario.	All Canada.
Value of Farm Products	$ 350,000,000	$ 865,000,000
Value of Mineral Output	52,000,000	128,500,000
Value of Timber Output	50,000,000	200,000,000
Value of Manufactured Products	700,000,000	1,300,000,000
Total	$1,152,000,000	$2,493,500,000

In Conclusion.

No attempt has been made in this rapid and broad presentation of Ontario's natural and developed assets to urge the soundness of Ontario's credit as a Government or Province. This is left to the reader to make his own inference. The aim rather has been to state the case in briefly summarized and perhaps slenderly related facts and particulars, and to provide information likely to interest and impress those who are concerned to know more about Canada's central and paramount province.

Stock Movements of the Week

A Record of the High and Low Marks of the Week and of the Year in Canadian Listed Securities.

Week ending Jan. 4, 1917.	Ask.	Bid.	High	Low	Last	Sales	Range 1916 to Dec. 28 High	Range 1916 to Dec. 28 Low
Banks—								
Commerce	185	184⅝	185	184¾	185	16	203	183
Hamilton	192	190½	191	191	191	4	197	146¾
Imperial	200	199	200	199	200	86	203	180
Merchants	...	170	170	170	170	42	180	150
Montreal	233	232½	233	232	232	253	240½	219
Royal	212	...	214	212	213	62	221¼	210
Standard	...	214½	215	214½	214½	18	221	211¼
Toronto	190	...	190	190	190	3	215½	190
Union	...	135¼	139	137	137	38	140	132
Transportation—								
Barcelona	14	13½	17	13½	17	415	17	9
Brazilian Traction	47	46	47¾	46	47	1,410	62⅝	43
Canada Steam., com.	37	36½	38	35¼	37	2,435	45	14
Do., pref.	92½	92	93½	90⅛	92½	1,185	95½	69¾
Canadian Pacific	165	163½	166	161¼	161¼	68	182½	162¾
Detroit United	129	126½	128	126	128	374	128½	69
Civic Power	82	82	82	81	81½	1,994	83¾	79
Illinois Trac., pref.	...	88	88	88	88	17	91	87¾
Porto Rico, com.	...	32	35	35	35	25	49½	30
Que. Ry., L., H.	34¾	34¼	35½	33	34¾	2,975	45	14
Toronto Ry.	78	76*	78¼	76	78	132	111	72
Twin City, com.	95	94	95	95	95	27	101	93⅜
Telegraph, Light and Power—								
Mackay, com.	84	83½	84	82⅞	84	141	87	78
Do., pref.	...	65	65½	65	65½	115	69¼	64
Shaw. W. & P.	132	129¾	130½	127¼	130	111	137	126¾
Industrials—								
Ames-Holden, com.	25	23½	23¾	21	23¾	400	35	19½
Do., pref.	62	60	60	60	60	5	80½	52
F. N. Burt, pref.	92	...	90¾	90¾	90¾	40	96	86
Can. Cement, com.	68	67¼	69⅞	62	67⅞	4,877	73	37¾
Do., pref.	95	94	95	94	95	170	98	86
Can. Car, com.	46	43	46½	36	44	2,512	75	32
Do., pref.	88	86	89	8½	88	3,565	94	61¾
Can. Cottons, com.	...	55	56	56	56	10	65	39
Do., pref.	80	...	80	78	78	26	82½	75½
Can. Forgings	...	198	205	190	205	205	...	...
Can. Loco., com.	58	...	58	56	58	200	64½	51
Can. Gen. El., com.	113½	112	113	113	113	50	126	108
Dom. Bridge, com.	169	168	170	164	168	364	231½	160
Dom. Canners, com.	...	20	20	19	20	165	22	15
Dom. Iron, Steel, pr.	...	93	95	92	95	33	105	90
Dom. Steel Corp.	68¾	68¼	71½	64	68⅝	20,185	82	43
Dom. Coal, pref.	...	95	95	95	95	10	99	93
Dom. Textile, com.	...	81	81	81	81	51	90½	74½
Lake of Woods	...	130	130	130	130	20	136½	122
Lyall Cons.	...	60	69	69	69	35	...	...
Laurentide	200	194	195	192	195	405	217½	176
A. Macdonald, com.	...	13	13	13	13	35	19½	10
Maple Leaf, com.	102	100	103	101	101	60	122	60
Do., pref.	95¾	94¼	97½	97½	97½	5	108	93
Mon. Cottons, com.	58	...	58½	58	58½	60	63	50
Do., pref.	103	102	102	102	102	10	115	99
Mon. Knitting, com.	45	40	40	35	35	26	40	25⅛
Do., pref.	85	80	80½	80	80	9	83	80
Ont. Steel Products	...	...	34	32	34	122	...	...
N.S. Steel, com.	121	119	128	112½	120	4,230	154½	93¼
Do., pref.	...	112	112	112	112	5	115	110
Pacific-Burt, pref.	...	80	80⅛	80	80⅛	114	82¼	77½
Penmans, com.	...	70	73	71	71	40	78	60
Riordon Pulp, com.	130	127	127	120	126	721	150	...
Russell Motor, com.	90	84	92	75	85	479	114	32
Do., pref.	115	110	115	106	115	200	139	66
Sher.-Williams, pref.	...	98	99	99	99	5	109	97½
Span. River Pulp, com.	18¼	17	19	17	18½	571	24¼	3½
Do., pref.	60	58	60	59	59	194	70	29
Steel Co. of Can., com.	68	67¾	71½	63	68	14,990	88¼	34¾
Do., pref.	100	99	100½	99	99¾	75	107¼	82½
Huron & Erie Loan	...	209	197	197	197	27	...	...
Colonial Loan	...	75	76	75	75	95	...	...
Can. Permanent	...	168½	169	169	169	80	...	...

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Jan. 4 Week ending High	Jan. 4 Week ending Low	Sales	Jan. 4 Close Asked	Jan. 4 Close Bid
COBALTS—							
Adanac	$ 2,500,000	$2,250,000	$ .30	24	1,600	.25	.24
Bailey	5,000,000	4,250,000	.15½	14¾	12,700	.16	.15
Beaver Cons.	2,000,000	2,000,000	.07	06½	11,750	.06	.03½
Buffalo Mines	1,000,000	1,000,000	.42	40	11,300	.41	.40
Cham.-Ferland	2,500,000	2,312,850	1.10	105	720	1.25	1.00
Coniagas	4,000,000	4,000,000	.16	14¾	19,750	.16	.15¼
Crown Reserve	2,000,000	1,909,957	5.00	445	1,605	4.50	4.25
Foster	1,000,000	915,588	.41½	.38	7,200	.41	.40
Gifford	250,000	......	...	...	....	.05	.03¾
Great Northern	1,500,000	1,500,000	.05	.04½	2,500	.05	.04½
Hargreaves	2,500,000	2,500,000	.13	.11½	6,800	.12	.10
Hudson Bay	25,000	7,761	...	...	....	75.00	...
Kerr Lake	3,000,000	3,000,000	...	...	....	4.85	4.75
La Rose	7,500,000	7,493,135	.58	.54	1,825	.55	.53
McKin.-Dar.-Sav.	2,000,000	2,247,692	.53	.49	1,800	.52	.50
Nipissing	6,000,000	6,000,000	8.55	8.50	210	...	8.35
Ophir	685,000	......	.12	.11	6,900	.11½	.11
Peterson Lake	3,000,000	2,401,820	.15½	.14¾	12,700	.16	.15
Right of Way	2,000	1,685,500	...	...	....	.06	.05½
Seneca-Superior	500,000	478,884	.03	.01½	2,766	.02¾	.02½
Temiskaming	2,500,000	2,500,000	.61	.58	18,950	.60	.59
Trethewey	2,000,000	1,000,000	...	...	....	.18	.16
Wettlaufer	1,500,000	1,416,590	.09	.06½	7,000	.09	.08
PORCUPINES—							
Apex	2,000,000	1,300,000	.14½	.13¾	36,450	.14	.13½
Dome Cons.	2,500,000	1,250,000	.27	.24	9,200	.27	.26½
Dome Extension	3,000,000	2,200,000	...	...	....	...	.12
Dome Lake	2,000,000	1,227,017	.68	.63	13,050	.67	.64
Dome Mines	5,000,000	4,000,000	21.00	20.50	530	22.25	20.50
Foley-O'Brien	3,000,000	2,500,000	...	...	....	...	.70
Hollinger	3,000,000	3,000,000	6.85	6.60	1,613	6.85	6.75
Jupiter	2,000,000	1,867,786	.32	.30	19,500	.31¼	.31
McIntyre	3,000,000	2,999,995	1.96	1.87	25,506	1.91	1.90
McIntyre Extension	2,500,000	2,000,000	.57½	.54	8,150	.58	.55½
Porcupine Crown	2,000,000	2,000,000	.79	.68	34,335	.78	.77½
Porcupine Imperial	2,000,000	1,409,200	.05¼	.04½	40,200	.05¼	.05⅛
Vipond	1,500,000	900,000	.47½	.40	17,950	.47½	.47
Preston E. Dome	3,000,000	2,000,000	.06	.05¼	12,700	.05⅞	.05½
Schumacher	2,000,000	......	.70	.68	5,000	.75	.70
Tech-Hughes	2,000,000	2,000,000	.76	.73	6,100	.75½	.73½
West Dome Cons.	3,000,000	2,000,100	.31½	.30	12,000	...	.30
MISCELLANEOUS—							
Con. Min. & Smelt.	10,000,000	8,427,500	.35¼	.30	2,923	.34½	.33¾

BRITAIN'S WAR EFFORT.

New Year Finds Undiminished Determination to Win.

London.—The New Year starts with an undiminished determination to win the war. Intense industrial organization for winning is sturdily increasing.

Britain's effort in providing munitions, especially during the last twelvemonth, is only realized dimly, even in this country. Still less is it appreciated abroad. For obvious reasons it has not been advertised.

While creating an army of six millions and enormously expanding its navy, Britain has become in fact a stupendous arsenal. Not alone has it been providing for its own armies in the several theatres of war, but it has, too, been meeting the requirements of its allies for raw and finished materials.

Financially, the greatest problem has been that of arranging credits to maintain the equilibrium of the exchanges. But so effective have these arrangements been that their magnitude was not realized fully until the statement was made in the House of Commons that £2,000,000 ($10,000,000) must be supplied daily to meet the Government's obligations in America.

Internal financing, relatively, has been merely a question of terms plus patriotism.

HIGH LEATHER PRICES.

Values Rose to Highest Mark Since the Sixties.

Not since the war between the North and the South have prices on hides and leather attained to the high levels established within the past few months. While there has been some recession from the top figures for hide prices reached in November, there has been no similar reaction in the market for sole leather, the prices on the latter prevailing at the close of 1916 remaining the highest of record in more than a half century.

It was not until the first half of the year was ending that the effect of the influenecs that have since carried prices to their present elevation began to be apparent. In his branch of the trade as in all others, the fundamental cause of the price upheaval was directly connected with conditions produced by the European war. The hide and leather trades were among the last of American industries to feel the full effect of those influences and in fact did not pronouncedly feel them until well into the fall months of this last year, or until more than two years after the beginning of hostilities. Then for a period of several weeks advance followed advance to the accompaniment of the greatest home and foreign buying activity ever before known.

TWIN CITY.

Earnings for Third Week in December Showed Gain of 9.64 Per Cent.

For the week ending December 21, the gross earnings of the Twin City Company amounted to $208,087, compared with $189,787 for the corresponding period in 1915, an increase of $18,300, or 9.64 per cent. For the year to date the earnings were $9,782,920, an increase over the corresponding period in 1915 of $712,380, or 7.85 per cent.

SMELTERS HAD A PROFITABLE YEAR IN 1916

Earnings Show Big Advance on Previous Records.

LIQUIDATION OF ADVANCES

Company is Constantly Improving Standing at Bank—Production Indicates Extensive Speculation.

The first annual report of the Consolidated Mining and Smelting Company, under the new management of J. J. Warren, for the year ending September 30, 1916, shows very interesting improvements in financial policy and expansion of interests and properties. During the year the company launched its electrolytic zinc plant, and at the request of the Munitions Board is considerably enlarging the plant originally planned. Delays in delivery of electrical machinery has prevented much increased production in 1916. The original plant is now working satisfactorily, and the surplus on the operation has been written off the construction account.

The copper refinery has been completed, thus marking an epoch in Canadian metallurgy. Both refined copper and zinc are readily saleable for munitions purposes, but after the war is over there is said to be no reason why the entire output of these metals cannot be used in Canada. Formerly they could not be because they were not refined. The lead output was restricted by severe weather conditions last winter. The gold output decreased, but silver advanced. While the prices of metals were high, profits have advanced in proportion because of greatly increased costs of operation, both for supplies and labor, together with interference due to the construction work. And plants which have been built make the refineries more independent at a time when a supply from outside sources is both unreliable and expensive.

	1894 to date	1915 to 1916
Tons ore smelted	4,819,903	447,017
Gold produced ounces	1,709,217	98,314
Silver prod'd ounces	24,533,463	2,285,631
Lead prod'd pounds.	414,065,535	39,974,411
Copper prod'd pounds	67,643,058	4,446,080
Zinc prod'd pounds..	3,088,199	3,088,199
Gross value	$ 81,294,627	$ 7,892,549

Financially the year has been a good one. The net profits have greatly increased over the previous two years. Greater allowance was made for depreciation, while $598,745 was spent on development work. Dividend payments were considerably increased. The property account was increased by $1,632,116, including the purchase of 200,000 shares of the common stock of the West Kootenay Power and Light Co., Ltd., at par, and the purchase of mining properties as well as development already done, but which has not yet reached the productive stage. Liquidation of an increased bank advance on the value of metals on hand is going on rapidly.

Meanwhile the company has been increasing profits and consistently adding to the surplus, which in 1915 passed the $2,000,000 mark.

Profit and Loss Record.

	1916	1915	1914
Net profits—	$996,496	$795,411	$474,032
Net depreciation—	278,368	192,478	193,149
Development work—	598,745	....	....
Dividends—	770,337	461,398	464,376
Profit and loss—	2,278,458	2,058,295	1,727,286

Year ended June 30	Profits.	Profit and loss Surplus.
1909	$329,004	$366,066
1910	309,945	671,011
1911	202,278	873,289
1912	310,346	1,183,685
Year ended Sept. 30.		
1913 (15 months)	998,367	1,717,650
1914	474,012	1,727,287
1915	795,411	2,058,300
1916	996,496	2,278,458

U. S. RAILROAD'S PROSPERITY.

September Increase 10 Per Cent. Per Mile Over 1915 Figures.

According to a statement just issued by the Bureau of Railway Economics, the September operating income of the American railways per mile was 10 per cent. greater in 1916 than in 1915, 32.8 per cent. greater than in 1914, 31.4 per cent. greater than in 1913, and 20.8 per cent. greater than in 1913 and 20.8 per cent. greater than in 1912. The statement says:—

The net operating income of the railways of the United States for September, 1916, exceeded that for September, 1915, by $43 per mile, or 10 per cent.

An Investment for the Prudent

To the careful investor who for any reason refuses to take chances, our Guaranteed Trust Investment plan especially recommends itself.

The mortgage security, the unconditional guarantee by the Company, and the attractive rate of income combine to recommend it to those who are both conservative and discriminating.

Full information on request.

National Trust Company Limited.

Capital
Paid-up, $1,500,000
Reserve, $1,500,000

TORONTO
18-22 King St. East

Small Investments

It is a fallacy to suppose that one must wait until he has thousands to invest. The income on a wisely invested $100 can be just as safe and more lucrative than if uninvested.

We would like to send you our suggestions for for the investment of your idle funds.

F. H. Deacon & Co.
Members Toronto Stock Exchange
INVESTMENTS
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PRICE TO YIELD 5.30%
Full Particulars on Application.
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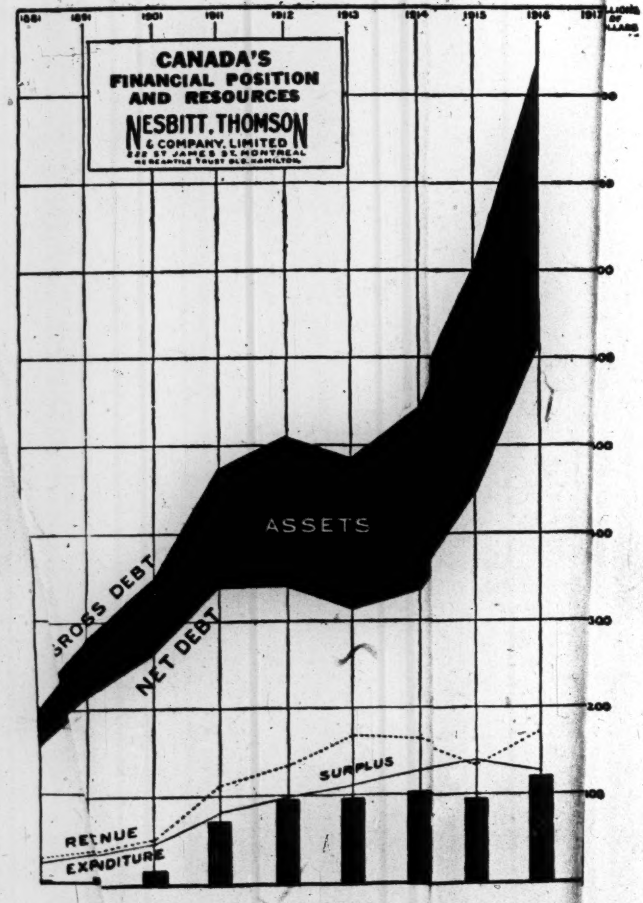
ANGLINS
LIMITED
CONTRACTING ENGINEERS
MONTREAL
ALL BUILDING WORK, LARGE OR SMALL RECEIVES OUR BEST ATTENTION

ANGLINS LIMITED
Some of our recent contracts include: Williams Mfg. Co., Loyola College, Toilet Laundry, St. Lawrence Sugar Refinery, Belding Paul Corticelli, Bell Telephone, Canadiar Ingersoll-Rand, Canadian Cottons, Penmans Limited, International Mfg. Co.
Our operations have included work in Montreal, Toronto, Ottawa, Quebec, Halifax, St. John, Sherbrooke, Brantford, Cornwall, St. John's, Gananoque, etc.
Estimates, [illegible]

From our January Invetment List. Write for a Copy.



Consolidated chart of Financial Condition of Canada, 1881-1916, showing from top to bottom, Gross Debt, Assets (difference between Gross and Net Debt.) Net Debt. Consolidated Fund Revenue, Surplus (difference between Revenue and Expenditure) and Expenditure, Coins Growth of Gold held by Receiver-General.

Foreword—January, 1917

The Consolidated Chart of Canada's Financial Position and Resources shows graphically the position of the Dominion as at the close of the fiscal year ending March 1916.

The most striking feature to our mind is the rapid adjustment of the Consolidated Revenue Fund from a deficit of $2,449,724.81, in 1915, to a surplus of $41,797,111.37, in 1916. This naturally means that the methods of taxation adopted by the Minister of Finance have been effective.

It is becoming more evident therefore that Canada is meeting no mean share of her war expenditure by taxation and will be in a much stronger position than would otherwise be the case at the close of the war.

1917 ushers in a year that will probably add more to the direct material wealth of Canada than any of its predecessors. The immense munition and war orders being placed and the development of the credit arrangement to the Mother country are of very decided importance, not only to our manufacturing, agricultural and transportation interests, but are of a much more pronounced world significance than is generally realized either in Canada or elsewhere.

Canadian Corporations are getting into very strong positions which will shortly be shown in the development of strong reserve funds, which will place our industrial and kindred activities as competitive purchasers of high grade Bonds with the insurance companies and other Bond buyers as generally developed up to the present.

This prosperity will temporarily at least be bound to affect and accentuate the high cost of living, demonstrating the need of strict economy.

We believe, therefore, that the present is an opportune time for individuals to purchase high-class municipal and public utility Bonds.

Buy Bonds

NESBITT, THOMSON & COMPANY, LIMITED
222 ST. JAMES ST. MONTREAL
MERCANTILE TRUST BLD. HAMILTON.

GIBBONS MOTOR CAR COMPANY, LTD.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 15th day of December, 1916, incorporating Samuel Henry Gibbons, manager; John Watson Franks, gentleman; William Joseph Hodgson, accountant; Lonson Cheeseman Laishley and Ernest Ireland, salesmen, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To manufacture, buy, sell and deal in all classes of automobiles, motor wagons, motor trucks, cars operated by steam, gasoline, electric or any other power, automobile and motor parts, accessories, and everything appertaining to the manufacture and trade of the above named; (b) To carry on any other business, whether manufacturing or otherwise, capable of being conveniently carried on in connection with its business, or calculated either directly or indirectly to enhance the value of or render profitable any of the company's property or rights, and to manufacture, buy, sell, or deal in goods, wares and merchandise; (c) To acquire and own the assets, property, privileges, franchises, contracts, leases, real estate and other rights of any individual, firm or company doing a similar business, and generally the business of any person, firm or company exercising or carrying on a trade which this company is authorized to carry on; (d) To act as agent for any other person or companies in the purchase, sale, exchange or lease of all products concerning the objects for which the company is incorporated; (e) To do all acts and exercise all powers and carry on all business incidental to the carrying out of the objects for which the company is incorporated; (f) To issue paid-up shares for the payment in whole or in part of any property, real or personal, movable or immovable, rights, claims, privileges, concessions or other advantages which the company may lawfully acquire; (g) To apply for and acquire or to obtain by purchase or otherwise and on any terms, letters patent of inventions, patent rights, processes, licenses, trade-marks, copyrights, or any privileges of a like nature for or in connection with any matter, article or subject convenient for the business of the company, and to turn the same to account by manufacturing, working the same or granting licenses in respect thereof or otherwise. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Gibbons Motor Car Company, Limited," with a capital stock of one hundred thousand dollars, divided into 1,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 18th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

One of the best AUTHORIZED investments for TRUST FUNDS is our

5% DEBENTURE

Ask for Booklet "About Debentures"

Paid-Up Capital $2,410,925.31
Reserve - - 685,902.02
Assets - - 7,426,971.18

THE GREAT WEST PERMANENT LOAN COMPANY

WINNIPEG TORONTO
VICTORIA REGINA CALGARY
VANCOUVER EDMONTON
LONDON, ENG. EDINBURGH, SCOT.

THE HOME BANK OF CANADA ORIGINAL CHARTER 1854

BRANCHES AND CONNECTIONS THROUGHOUT CANADA.
HEAD OFFICES AND NINE BRANCHES IN TORONTO
8-10 KING ST. WEST, HEAD OFFICE and TORONTO BRANCH
78 CHURCH STREET
Cor. QUEEN WEST and BATHURST
Cor. QUEEN EAST and ONTARIO
Cor. BLOOR WEST and BATHURST
236 BROADVIEW, Cor. WILTON AVE.
DUNDAS ST., Cor. HIGH PARK AVE.
YONGE ST. SUBWAY, Cor. ALCORN AVE.
EXHIBITION CAMP, EXHIBITION PARK.

CANADIAN CAR REPORTS LARGE ORDERS ON HAND

W. W. Butler States That New Business Amounts to $22,000,000.

RUSSIAN ORDERS FINISHED

Recurrent Reports As to Dividend Payment But These Are Not Encouraged in Official Circles —Domestic and Foreign Car Situation.

Orders of the Canadian Car & Foundries Co. & Subsidiaries on hand on January 1st. in Canadian plants alone amount to $22,000,000 according to an announcement made by W. W. Butler, vice-president of the company to THE FINANCIAL POST. This estimate which is based on figures just compiled supplements an approximate estimate of $16,000,000 which was made a few weeks ago and is based on steel tonnage orders slightly in excess of 166,000 tons. The subsidiaries concerned are the Canadian Steel Foundries and the Pratt Letchworth plant at Brantford.

Dividend possibilities have recently come in for further discussion but they have not yet received any confirmation from officials; present information tends to discount too much optimism. The Russian order will undoubtedly be the chief determining factor of any such action and of it Mr. Butler, vice-president and managing director says, "we hope the shareholders will be satisfied but it is certain that there will not be the profit originally anticipated. That is a foregone conclusion."

The Canadian end of the order is understood to have been completed this week. The companies sub-contracting from the Car Co., on this order and which have now completed their contracts are as follows: Dominion Bridge Co., Lymeburner Ltd., The Lachine Mfg. Co., A. B. Lee Elevator Co., all of Montreal and the Cluff Co. and Polsons of Toronto. The order consisted of 3 in. shells exclusively and in Montreal alone about 7,000 per day were produced. Polsons are understood to have manufactured 90,000 and the Cluff Mfg. Co., 46,000 shells. Munitions men state that a chief cause of the company's trouble with this order has been due to the vigorous requirements of the Russian authorities which have made the Russian shell the hardest to produce of any on the market. The Canadian companies had until Dec. 31 to finish up their orders and make final shipment to Kingsland, N.J., where the assembling is done for shipment to Russia.

Mr. Butler states that delivery of the order with the exception of odds and ends will have occurred by January 1st, and that all adjustments with contractors and the settlement of minor claims on both sides will be completed within 60 days of the present time.

Extensions to Plant.

The management gives further details of important additions to the plant which were announced in THE FINANCIAL POST some time ago. The capacity of Steel Foundries has materially increased for the benefit of the Imperial Munitions Board and is now practically doubled. Even with this increase the Steel Foundries are filled up with orders that will keep them going until the end of the third quarter of 1917.

In the car plants the situation is not quite so favorable, although nevertheless extremely satisfactory. The car plants are booked up until April 1st on car work, and all available space in them is being utilized for forging and machining shells and for making brass cartridge cases and other parts of shells. Besides a number of inquiries are being received at present for cars, and the management hopes to close a nice business in the next 60 days, so that the immediate prospects for 1917 are good. The orders in sight are on export account in various countries, a feature of the situation being the complete absence of car orders from Canadian roads, although it is generally known that the country is suffering from a marked shortage.

A fact not generally known, and of considerable importance in view of the prospects of a considerable car activity on export account now and domestic account later, is the fact that the company profits by every car built in Canada, owing to the fact that it has the most self-contained car plant in the world, and turns out certain car equipment unobtainable elsewhere in Canada. The company, besides having its own steel foundries, malleable iron foundries, and certain specialties that other car plants do not make, owns it's own timber limits. A considerable business is done with other manufacturers of cars in steel castings, malleable iron, castings, bolsters, couplers, springs, etc., that the other plants do not work on.

BRUCE CHARGES ESTABLISHED ON VITAL POINTS.

(Continued from page 1.)

tals scattered all over Great Britain, the report of the Board reads:

> The board agrees with Dr. Bruce and Dr. Jones that additional inspection of Canadian hospitals and patients in British hospitals is desirable. From the Canadian standpoint there is evidence of the desirability of special inspections, which was not fully recognized by the then D.M.S. until July of this year. The board is of the opinion that this policy, with which the board iis n complete sympathy, should have been initiated at an earlier period, and, will be necessary to increase materially the accommodation in Canadian convalescent hospitals in the United Kingdom. The board recommends the provision of a regular hospital ship rather than returning invalids by transport.

This again is not a "minor consideration."

As stated before it will be impossible to reach a sound conclusion until the full text of the report of the Board of Enquiry is obtainable. It can be stated unreservedly, however, that faults in administration, very costly faults indeed, have been uncovered. Whether Col. Bruce has been just in his strictures on the heads of the service, whether the system could have been bettered under existing circumstancss, are points that will later be established. At present the fact stands that serious weaknesses have been uncovered and for this the Bruce report must be credited. That the weaknesses must be corrected at once is the important conclusion to be drawn.

QUEBEC—The Province of Prosperity

THRIFT is one of the foremost virtues of the people of Quebec; and thrift signifies industry and character—two national assets having a value that cannot be measured in coin.

This thrift of the people of French Canada is deep-rooted; it is the heritage of centuries. Perhaps the plentiful possession of this quality of thrift is the ultimate explanation of the distinguished place this province holds in the annals of Canada's prosperity and sound development.

Nowadays people are prone to look at everything through the spectacles of dollars and cents; to study balance sheets; and to pay little heed to the spiritual qualities of a nation and its workers; but when one studies Quebec, one cannot escape a consideration of the French-Canadian people, for it is in them even more than in the province's national resources and advantages that is found the explanation of Quebec's good showing in the annual statement of her financial status.

QUEBEC'S STEADFASTNESS.

In Ontario, the changes in population are many; so is it in the Canadian West.

In Quebec, things are more stable. The restlessness of those of Anglo-Saxon origin is absent. The home-love and the family-love of the French-Canadian are pronounced and renowned. Consequences of this are conservatism, staunchness, integrity; and these good and desirable qualities are revealed in the people's work and life.

QUEBEC GEOGRAPHICALLY CONSIDERED.

But a people alone, without a country, without a responsive country, cannot hope to achieve great results. What, then, is Quebec Province as a thing of clay and stream, rock and hill, a contributor to the people's advancement in material things? How does its geographical location favor its development?

Everybody knows that Quebec is the principal owner of the great St. Lawrence River—Nature's magnificent watercourse for Canada's grain and beef and timber, and all else, on their way to Great Britain, Europe and other lands. Everybody knows, too, of the predominance of the port and city of Montreal over all other Canadian ports and cities. And everybody recognizes that Montreal must grow and grow in sympathy with Canada's growth, and that nothing that can be foreseen can ever rob her of her distinction of being Canada's principal ocean port, with all that this implies and gives.

But apart from any dependence on the West for the growth of her commerce and trade, there is the Province's own productions of the farm, forest and mine. Quebec's native wealth is immense—almost beyond one's powers of conception or calculation. Not always is this wealth on the surface or to be won by easy scratching. Much of it demands toil and capital; and in the past Quebec has suffered from the competition of the West, with its glamor, easily worked prairie land and rainbow-tinted advertising.

QUEBEC'S NEW DAY.

A new day for Quebec, however, has dawned, for this is a day of national stock-taking. It is a day when men of capital and statesmen are looking inquisitively into everything, for economic advantage. When the war is over, and the readjustments that will come are made, Quebec's transcendent claims on the attention of Canadians and of the peoples of the Old World and of the United States will be perceived and heeded.

These claims of Quebec are of greatly varied character: agricultural wealth; riches in minerals and forest products; ability to produce cattle and horses, sheep, swine and poultry; immensity of water-power for industrial requirements; and the ability of her children to perform with celerity and skill the work of factories.

QUEBEC A BIG PROVINCE.

Let us look at Quebec's far stretching acres—450,000,000 of them. the most spacious of all Canada's provinces. Of this huge territory only 15,000,000 acres or so—about 3.5%—are under cultivation, and only half of this acreage can be called improved lands. Yet from this relatively small acreage much wealth is derived, as witness these figures, comparatively presented:—

	1915	1914	1911
Field crops ..	$104,683,000	$99,279,000	$76,325,000
Dairy products	17,303,000	16,156,022	15,656,986

QUEBEC AS A DAIRY PROVINCE.

Dairying in Quebec is a highly developed and specialized industry. Much land is devoted to pasturage, and the growing of fodder crops is much favored. The last available figures give a total of 1,947 cheese and butter factories with an output for the year of

	Lbs.	Value.
Butter	34,015,000	$8,788,000
Cheese	56,185,000	7,368,000

Financial Position of the Province of Quebec

Assessed value of taxable real estate, December 31, 1915 (last date at which summarized figures are available)		$1,274,899,601
Total funded debt, 30th June, 1916		$ 38,346,128
Less—Sinking Fund	$1,487,347	
Other Assets (net)	5,650,893	
		7,138,240
Net Debt.		$ 31,207,888
The net debt is less than 2.45% of the assessed (Real Estate) valuation.		
Population census of 1911		2,003,232
Population, 1915, as estimated from official reports of local authorities		2,321,137
Area of Province 450,337,761 acres, or 703,653 square miles.		
Annual value field crops		$104,683,000
" " dairy products		18,471,501
" " lumber, pulp, etc.		33,600,000
" " minerals		11,733,000
" " manufactures		350,902,000
		$519,389,501

The Province of Quebec includes the Cities of Montreal and Quebec, the former the principal commercial city of Canada. The foreign commerce of the Province in 1915 amounted to $350,947,770.

The Province of Quebec contains about 130,000,000 acres of timber lands, more than any other Province in the Dominion.

Its population, based on the last census figures, is 27.8% of the total population of Canada.

The Province has the power to levy a direct general tax to meet principal and interest on its debt, but has never found it necessary to do so.

The net debt *per capita* has decreased from $15.63 in 1901, to $13.44 at the present time.

FOREST PRODUCTS OF QUEBEC.

Quebec surpasses every other province of the Dominion in the matter of her forest areas. These total 130,000,000 acres, or about 30% of the province's total acreage, and by comparison with the value of the "cut" of other provinces, Quebec's figures are about one-third of the whole. The value of Quebec's forests is reckoned to be:

White and red pine	$200,000,000
Spruce and balsam	250,000,000
Pulpwood	100,000,000
Hardwood	25,000,000
Total	$575,000,000

As a producer of pulpwood, and of manufactured pulp, Quebec stands in the forefront of Canadian provinces. In 1914, 23 out of 49 Canadian companies engaged in the manufacture of pulp were located in Quebec, and the consumption of pulpwood amounted to 636,496 cords, or about 52% of Canada's total consumption. In addition to the domestic consumption, 687,421 cords of pulpwood were exported, being about 75% of the whole Canadian export.

QUEBEC'S MINERAL WEALTH.

The vastness of Quebec Province has made it quite impossible up to the present to make any inventory of her mineral wealth; yet this wealth is known to be inconceivably great and widely diffused. In 1915 the value of minerals extracted from the earth was $12,159,436. The yearly figures for a number of years show how mining is developing. They are:—

1902.......	$2,985,463	1913.......	$13,119,811
1905.......	3,750,300	1914.......	11,722,783
1910.......	7,323,281	1915.......	12,159,436

QUEBEC'S ASBESTOS DEPOSITS.

For one highly useful mineral Quebec is the main source of the world's supply—asbestos. During 1914 the value of the output of her asbestos mines was $2,895,935—almost three million dollars, or an output for each working day of $10,000.

QUEBEC'S WATER-POWERS.

It has been said that Quebec possesses water-power in abundance, and water-power soon or late spells industry. The estimated power developed from water, according to the last available figures, is given as 5,514,000 horse-power.

QUEBEC'S MANUFACTURES.

According to the last census report there were 6,584 manufacturing plants in Quebec which came under the Government standard of five employees. The value of the capital invested was $326,946,000. The number of employees was 158,207 and their wages and salaries amounted to over $69,000,[illegible]00. The cost of raw material used was $184,274,[illegible]00 and the value of the output about $351,000,000. Representing between $10,000,000 and $26,000,000 output were eleven industries as follows:—log products, boots and shoes, cottons, butter and cheese, railway cars, men's clothes, tobacco products, railway cars building, grist mills, paper and lumber products which stand in the order mentioned.

QUEBEC'S COMMERCE.

Largely through its geographical position, Quebec has developed considerable trade outside of the province and this explains a heavy import and export trade. The imports in 1870 were $32,833,000 and exports $37,807,000. In 1900 they were $79,508,000 and $76[illegible]91,000 respectively, and in 1914 they were $185,320,000 and $17[illegible]556,000 respectively. However, the development of trade in Western Canada has cut down the proportionate ratio of these figures with the whole of Canada from as high as 50 per cent. to 41 per cent. at present in exports and from 48 per cent. to 30 per cent. on imports. During the five-year period of 1910-1914, Montreal's proportion of the province's total trade with the outside was 50.8 per cent. of the imports and [illegible]7.64 per cent. of the exports.

MONTREAL'S STATUS.

Montreal takes rank as being the great inland seaport of the continent. Located on the famous river waterway, the St. Lawrence, the site is strategically as close to the heart of the Dominion as it is possible to bring ocean traffic. From a commercial standpoint the advantages are great; on the one hand the terminus of the trans-continental traffic; on the other the terminus of the trans-Atlantic service. Water transportation has always been cheaper than rail, and the indications are that it always will be; so long as such is the case, Montreal is destined to be Canada's great commercial centre. This commercial development, coupled with the age of the city, has been responsible for the location of the head offices of a number of the largest of Canada's financial institutions; the headquarters of rail and water shipping interests; banking, insurance, mercantile and varied other institutions, with connections in both the new and the old worlds.

QUEBEC'S RAILWAYS.

Of the 4,[illegible]8 miles of railroads in the province on the 30th of June, 1914, there were but 575 miles in existence on the 1st of July, 1867, the date of Confederation. On the 1913 basis, 4,333 miles, there were 2.55 miles per 1,000 of population and 12.3 miles to every 1,000 square miles of territory.

QUEBEC'S WATERWAYS.

From the Straits of Belle Isle to Quebec, a distance of 2,200 miles there is a navigable waterway divided into sections as between Belle Isle and Quebec, Quebec and Montreal, and Montreal and the inland lakes, according to the character of the traffic. Montreal is reached from Quebec largely as the result of deepening the St. Lawrence, which permits of Ocean traffic to come up stream to the foot of the Lachine Rapids. To the head of Lake Superior the St. Lawrence canals overcome a fall of 551 feet. The tonnage over the St. Lawrence canals increased between 1901 and 1914 from 1,20[illegible]06 tons to 4,39[illegible]493 tons, and 1910 from 1,208,29[illegible] tons to 4,302,4[illegible] tons, and that record tells much of the development of Montreal and the comparatively large growth of urban population in the province. Montreal's port tonnage has almost doubled in ten years.

WHY THIS CHRONICLE?

The main object of this brief sketch is to present afresh what is likely to be a fairly familiar story, yet which to some readers may possess a fresh interest. Beyond this, there is the serious purpose of increasing the faith of investors, merchants, settlers and others in what Quebec, as a province, has to offer in the matter of reward and a future. Concerning the Province of Quebec as a business institution, keeping books, and with something it may be, to sell, the financial statement accompanying this sketch is provided for all to read and digest who will.

DIVIDENDS DECLARED.

The Nova Scotia Steel & Coal Co., Limited

DIVIDEND NOTICE.

A DIVIDEND of two per cent. on the Preferred shares of the Company, for the quarter ending December 31st, 1916, has been declared, payable January 15th, 1917, to shareholders of record of December 30th, 1916.

By order of the directors,
THOMAS GREEN,
Cashier.

New Glasgow, Nova Scotia,
December 23, 1916.

Dominion Linens
Limited

Dividend No. 5

NOTICE is hereby given that a Dividend of 3½% (being at the rate of 7% per annum) on the Preferred Stock of this Company has been declared for the six (6) months ending December 21st, payable January 15th, 1917, to shareholders of record at the close of business, December 31st, 1916.

By order of the Board,
H. A. HIGNELL,
Secretary-Treasurer.

Guelph, December 27th, 1916.

CANADA CEMENT CO., LTD.

PREFERENCE SHAREHOLDERS.
DIVIDEND NO. 28.

NOTICE is hereby given that a dividend of 1¾ per cent. for the three months ending December 21st, 1916, being at the rate of 7 per cent. per annum on the paid-up Preference Stock of this Company, has been declared, and that the same will be paid on the 16th day of February next, to Preference Shareholders of record at the close of business, January 31st, 1917.

The Transfer Books of the Company will be closed from February 1st to 10th, both days inclusive.

By order of the Board of Directors,
H. L. DOBLE,
Secretary.

Marcus Loew's Theatres Limited

NOTICE is hereby given that a dividend of 1¾ per cent. for the quarter ending 31st December, 1916, being at the rate of seven per cent. per annum on the preference shares of Marcus Loew's Theatres, Limited, has this day been declared payable on 15th January, 1917, to shareholders of record on 31st December, 1916.

By order of the Board,
SAMUEL D. FOWLER,
Secretary.

Toronto, 30th December, 1916.

La Banque Nationale

ON and after Thursday, the 1st of February next, this Bank will pay to its shareholders a dividend of two per cent., being at the rate of eight per cent. per annum, upon its capital, for the quarter ending on the 31st of January next.

This dividend will be paid according to the list of shareholders of record on the 15th of January next.

By order of the Board of Directors,
N. LAVOIE,
General Manager.

Quebec, 26th December, 1916.

The Merchants Bank of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of TWO AND ONE-HALF per cent. for the current quarter, being at the rate of TEN per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of February next, to Shareholders of record at the close of business on the 15th day of January.

By order of the Board,
D. C. MACAROW,
General Manager.

Montreal, 26th December, 1916.

ANNUAL MEETINGS.

Bank of Nova Scotia

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 24th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,
M. A. RICHARDSON,
General Manager.

Halifax, N.S., December 15th, 1916.

The Canadian Bank of Commerce

THE Annual General Meeting of the Shareholders of this Bank for the election of Directors and for other business will be held at the banking house in Toronto on Tuesday, 9th day of January next.

The chair will be taken at 12 o'clock noon.

By order of the Board,
JOHN AIRD,
General Manager.

Toronto, 30th November, 1916

INTERNATIONAL TRADE AFTER THE BIG WAR

Authority Believes It Will Be Much the Same as Before.

NEW EFFICIENCY IN EUROPE

Experience of Past Wars is That Material Gains of Trade Interchange Are Not Long Likely to be Neglected.

A paper presented before the American Association for the Advancement of Science, at its meeting on December 29,1916, by A. P. Austin, Statistician of the Foreign Trade Department of the National City Bank of New York, is the most important contribution on the subject since the question was first raised. Business men in Canada would do well to consider their business and financial policy in view of the opinions expressed therein.

In Mr. Austin's opinion, international trade after the war will be quite similar to international trade before the war. In this he disagrees with the opinion that commerce between the warring nations will not be resumed. From his review of the figures of trade between the belligerents after the Civil War in the United States, the Franco-Prussian War, the Spanish-American War, and the Russo-Japanese War, it is perfectly evident that heretofore warring nations have actually increased their trade relations in the proportions of 50. 40, 25, and 100 per cent., respectively, in the course of the next five years. There is little reason to doubt that there will be a change in the present case. The following analysis is particularly important:—

"The volume of commerce between the two sections of Europe now at war is much greater than we usually realize. The aggregate of the international trade of all countries of Europe is normally $25,000,000,000 a year, of which $15,000,000,000 consists of exchanges among the European countries. This represents about $7,500,000,000 for each article counted as an export is again counted as an import. Of this a surprisingly large percentage occurs between the countries now at war. Great Britain alone sells to the Central Powers with which she is at war about $400,000,000 worth a year, to say nothing of the products of her colonies finding a market within that central territory; and buys from them another $400,000,000, chiefly of merchandize which she must have, and which it is more convenient for her to purchase from that nearby territory than to bring at greater expense of transportation from other parts of the world. France sold to the Central Powers in the year preceding the war about $200,000,000 worth of merchandise, and bought from them $250,000,000 worth. Russia's exports to the Central Powers averaged $250,000,000 a year, and her purchases from them $325,000,000 a year. Italy's sales to them amount to $125,000,000 a year, and her purchases from them $175,000,000 a year. Belgium's imports from the Central Powers amounted immediately preceding the war to $160,000,000 per annum, and her sales to them $220,000,000. Add to these figures the trade between the Central Powers and the Balkan States and the colonies of the Allies, and we get a grand total of more than $3,000,000,000 per annum. Can we believe that all this trade with all its advantages is going to be deliberately sacrificed by these alert commercial countries to the bitterness developed by the war when we see that no preceding war in recent history has more than momentarily interrupted the trade between the nations engaging therein?"

On the question of the prospective ability of the warring nations to dump accumulations of manufactures upon the markets of the world Mr. Austin points out that the producing capacity of the warring nations has not been depleted. This depends partly on man power. The latest estimate of the number of killed and permanently disabled until next August is 4,000,000, yet the net increase in the number of male persons entering the industrial age and thus available for industrial pursuits in the countries in question is in the two and a half years since the beginning of the war about 6,000,000. In addition to this it is a well-known fact that in all these countries the loss by emigration has been suspended and that many of their former emigrants have been called home. Then, too, large numbers of women have been employed in industrial pursuits. We may, therefore, safely assume that these warring countries will emerge from the war with a materially larger industrial, and therefore commercial power than they had at the beginning of the war.

Moreover, the industrial machinery has been speeded up to a much greater producing power than ever before. In Great Britain a true industrial revolution covering every phase of industry has taken place. Similarly with Russia, Japan, and Italy. Mr. Austin summarizes the point as follows:—

"None of the countries except France and Belgium have suffered in losses of their manufacturing or other industrial establishments or transportation facilities; but, on the contrary, in all the others manufacturing establishments have been brought up to their highest producing capacity and new plants constructed and put into operation, and this is also true of those parts of France not lying within the field of military activities. It seems to me, therefore, that the producing power of the countries at war will be as a whole greater rather than less within a comparatively short time after the close of the war. Of course, a brief period will be required to transform their factories from those producing war materials to those required for peace. But the very facility with which we ourselves transformed our factories from those of peace requirements to those to be utilized for war illustrates the promptness with which the change can, and doubtless will, be made in the European countries upon their return to the arts of peace, production and commerce."

The article denies that the countries at war will have large stocks of material ready to be dumped on the American market at cost or even less for the purpose of obtaining the ready cash for resumption of industrial activities. They cannot get enough raw materials. At present they cannot supply home requirements to say nothing of piling up goods to dump at the end of the war. A general statement on this question, however, seems to the POST too sweeping. Doubtless the warring nations will be inclined to dump articles in America, especially those that could not be used in the war, and there is some probability that Russian wheat will bring down the price of American wheat by flooding not the American market, but the markets which America does not normally and is now supplying.

Some persons believe that the destruction of vessels will prove a serious deterrent in foreign trade after the war, but the very latest figures compiled and published by high authorities put the total tonnage of vessels destroyed down to November 1st, 1916, at 3,328,000 tons, while equally high authorities state the total tonnage of vessels when the war began at 50,000,000 tons. This would suggest a loss of about 7% in world-carrying trade as a result of vessel destruction during the war; but when we take into consideration the assertion made over and over again, that probably half of the destroyed vessels have been replaced by new ones, we may assume that the actual reduction in world-carrying power on the ocean is little, if any, above 4%, the enormous increase in freight rates which has developed being chiefly due to the fact that all of the governments at war are controlling for their own purposes the operation of the commercial vessels of those countries, while the commercial fleets of the Central Powers are laid up in safe harbors merely awaiting opportunities to emerge ready for business at the termination of hostilities.

Of the factors mentioned as reducing Europe's power to export, reduction in man power, reduction in capital supply, taxes, and higher interest rates, all are worthy of consideration except the first, though the reduction of the supply of capital has not been so great as many suppose. At the same time costs of raw materials and of labor have greatly increased in America, while European nations are planning indefinitely to re-enter the export fields with the help of trade banks and other devices. All things considered international trade will not have been considerably changed by the war. Canadian business men who are building on entirely new and favorable factors may be disillusioned.

ACADIA SUGAR ANNUAL PASSED OFF QUIETLY

Objectors Were Active a Year Ago, but Little Was Said at Recent Session.

The Acadia Sugar Refining Company represents one of the largest industrial concerns of the Maritime Provinces, and its interests are watched with much interest. The FINANCIAL POST has already been made familiar with the main features of the company's financial statement. The annual meeting was held on Saturday. The directors anticipated a somewhat lively time, that of a year ago being remembered, but there was nothing of this kind. Shareholders asked some questions, particularly about the retirement of G. A. McKenzie, the manager of the refinery in Wooodside. T. S. Rogers, K.C., a director, replied that an expert from New York, brought in to look over the refinery, had found some things unsatisfactory. This work of inspection was not yet complete, but, Mr. Rogers added, if when concluded, it showed no better than now, for his part he would oppose the return of Mr. McKenzie as manager. There was some quiet criticism of the directors, who, it was thought, had bought too heavily of raw when it was high, or rather had not taken the full advantage of the time when it could have been obtained at a lower price.

The vacancy on the Board of Directors caused by the death of Wiley Smith, the former chairman, was not filled, the old board being re-elected. A. G. Brand, one of the directors from Glasgow, who has been in Halifax for two or three months looking into the company's affairs, was present at the annual meeting. After the meeting the following statement was given out:

"The directors' report was adopted and the old board re-elected. Mr. Rogers, K.C., who recently returned from England, made a statement of the efforts to establish an export trade with Great Britain and the hope was expressed that the Canadian refineries would soon obtain a foothold in that market. While the financial statement was not favorable, the opinion seemed to be that the war conditions in Canada were responsible for the situation."

GROCERY MARKETS

Firmness in Wheat Reflected in Flour Quotations.

Canadian Grocer this week will say:—

Flour during the week has held in a steady market with increasing firmness, due to the net gains in the upward price of wheat. An advance of 30c per barrel is recorded and the market is in continued firmness. Sugar declined 10c per hundred during the week. This was stated in Canadian Grocer last week to be a strong probability. Conditions in Cuba continue favorable for a good crop of sugar. Butter is slightly easier, with a weakening noted in the price of creamery solids. Egg prices are weaker. Owing to the increased arrivals of new-laids the price has declined during the week. Storage eggs, however, are firmly held, as supplies are diminishing. Eggs from the Chicago district will be an increasing factor in the storage egg market from now on. Poultry is in a dull market, many of the wholesalers having to place their left-over stocks from the holiday season in storage in order to save them from a dead loss. Honey is in a fair demand and prices are firm in this commodity. Shipments of dried fruits and other commodities from United States points are coming forward better. Embargoes recently in operation on certain railroads in that country have caused much inconvenience and delay to Canadian purchasers.

AUSTRALIA'S PROFIT TAXES.

Mining Companies and Fruit Growers Are Exempt.

The Commonwealth of Australia's Treasurer has announced that it has been decided that the war time profits taxes should be 50 per cent. for the first year and 75 per cent. for the second year, instead of 100 per cent. as previously proposed. Mining companies and fruit growing concerns are to be exempted.

A levy of 1½ per cent. will be made on wealth for repatriation purposes, and this will be spread over five years, instead of three years. War bonds, inscribed stock and estates below £500 are to be exempted. A board of referees will be appointed to deal with cases of hardship.

January Investment

We have prepared a January Booklet descriptive of a number of Mortgage Bonds purchased by us, for our own account and offered as suitable for safe and profitable investment.

Information regarding the following bonds yielding from 5¾% to 6⅜% is included:—

Riordon Pulp & Paper	6% Bonds
Price Brothers & Co.	5% Bonds
Price Brothers & Co.	6% Notes
Brompton Pulp & Paper	6% Bonds
Wayagamack Pulp & Paper	6% Bonds
Laurentide Power	5% Bonds
Nova Scotia Steel & Coal	6% Debentures
Ames Holden McCready	6% Bonds
Calgary Power	5% Bonds

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DOMINION MILK CORPORATION, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 9th day of December, 1916, incorporating Gertrude Mary Jose, Ida Bergey, Kate Rebecca Broddy and Loretta Duggan, stenographers; Howard McLachie McCance, chauffeur; Leo Henry Baker, manager; William Howard Walter, student-at-law; Gordon Nicholas Shaver and Alexander Robertson Cochrane, solicitors; and George Duncan Egar, Esquire, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz: (a) To carry on business as manufacturers and dealers in both wholesale and retail and producers of dairy, farm and garden produce of all kinds and of milk, cream, cocoa, chocolates and all beverages and all foods, composition and supplies into which milk and cream, chocolate or cocoa or any products of the same enter as component parts and food products of every kind and description; (b) To acquire by purchase or otherwise and work farms, ranches and any other property, real or personal for the purposes of the company; (c) To raise, kill and slaughter cattle and other farm animals for export or local trade as dressed beef or in cans; (d) To acquire by purchase or otherwise, erect, build and work refrigerator elevators, warehouses, abattoirs, machinery, works and appliances, cars, bottles, bottle-stoppers and boxes as may be necessary for the company's business; (e) To build, acquire, own, charter or lease, navigate and use steam or other vessels for the purposes of the company, also build and operate railway cars as the company's business may demand; (f) To manufacture and produce steam and gas and acquire, develop and utilize water-powers for the purpose of milling and for generating electricity for lighting, heating and motor purposes in connection with the buildings and other works of the company with authority to sell or otherwise dispose of any surplus of gas, electricity or power generated by the company's works and construct and operate lines for the sale and conveyance of such surplus power, subject always to all provincial and municipal laws and regulations in that behalf; (g) To carry on any other business (whether manufacturing or otherwise), which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (h) To buy, sell, handle and deal, both wholesale and retail in commodities, articles and things of all kinds which can conveniently be dealt in by the company in connection with any of its objects; (i) To purchase or otherwise acquire any formulae, receipts, processes, letters patent, trade-marks, trade names or copyrights, relating to the products of the company, or any rights or interests in the same or in the mode of manufacturing or selling the same; (j) To apply for, purchase or otherwise acquire patents, concessions and like conferring any exclusive or non-exclusive or limited right to use of any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem to benefit the company and to use, exercise, develop and grant licenses in respect to or otherwise deal with all or any of the same; (k) To apply for, acquire and enjoy any concessions, franchise, right, privilege or power which any government or public authority, federal, provincial, municipal or local or any corporation or other public body may be lawfully empowered or authorized to make or grant; (l) To promote or assist in the promotion of any company or companies carrying on business similar in whole or in part to that of this company; to act as agents for any company, partnership or person carrying on a similar business, and to carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with any of the above businesses or objects, or calculated to enhance the value of or render profitable any of the company's property or rights for the time being; (m) To purchase or otherwise acquire and undertake all or any part of the assets, business, property, privileges, contracts, rights, obligations and liabilities of any person or company carrying on a business similar thereto or possessed of property suitable for the purposes thereof or which is capable of being conveniently carried on in connection with the business of which the company may be hereby empowered to purchase, lease, or otherwise acquire, and to pay for the same in stock, bonds, debentures or securities of the company; (n) To amalgamate with any other company having objects similar to those of this company; to lease, sell, improve, manage, develop, exchange, turn to account or otherwise dispose of or deal with the property and assets of the company or any part thereof for such consideration as the company may deem fit, including shares, debentures or securities of any company; (o) To enter into partnership or into any arrangement for sharing of profits or union of interests with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to directly or indirectly benefit the company, and to make advances to, guarantee the contracts of or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (p) To distribute among the members of the company in kind, shares, debentures, securities or property belonging to the company; to take or otherwise acquire and hold shares in any other company having objects similar to those of the company or carrying on any business which is germane to the objects for which the company is incorporated; (q) To issue shares of the company as paid up in payment of any assets purchased by the company or, with the approval of the shareholders, for services rendered or for any other consideration which may be deemed just and sufficient by the directors; (r) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (s) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures or securities of any other companies having objects altogether or in part similar to those of the company; (t) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any shares in the company's capital or any debentures or shares of the company or in or about the formation or promotion of the company or the conduct of its business; (u) And generally to do all acts and exercise all powers and carry on all business incidental to the carrying out of the objects for which the company is incorporated; (v) To pay out of the funds of the company all expenses of and incidental to the incorporation and organization of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Dominion Milk Corporation, Limited," with a capital stock of one million two hundred and fifty thousand dollars, divided into 12,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 13th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

Mercantile Trust Company of Canada
LIMITED

Announces the removal of its Head Offices from the Bank of Hamilton Building to its new Building, just completed, 11 Main Street East, Hamilton, Ontario.

Cyrus A. Birge, *President* S. C. Macdonald, *Manager*

J. P. BICKELL & CO.
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or at any of its 14 branches in Montreal

The best way to follow the good advice given by the rulers of our country to SAVE is to open an account to-day with the Montreal City and District Savings Bank, and you will have done WELL.

A. P. LESPERANCE,
General Manager.

MONEY, BANKING AND EXCHANGE

December Bank Clearings for the Dominion Showed Gain of 12.5 per cent.—For the Week the Gain was 10.9 per cent.

For the week ending January 4, official returns of bank clearings made to THE FINANCIAL POST showed a gain for the whole Dominion as compared with the corresponding period in 1916 of 10.9 per cent. In the West there was a decline of 3.3 per cent. and in the East a gain of 17.6 per cent. The cities in the West to show gains were Lethbridge 48.2; Medicine Hat 28.8; Regina, 27.2; Vancouver, 21.4; Saskatoon, 20.6; Fort William 20.1; Calgary, 15.6; Moose Jaw 7.0; New Westminster, 4.2; Edmonton, 0.9 Brandon showed a decline of 23.8; Winnipeg 12.2 and Victoria 6.9 per cent. In the East Quebec showed a gain of 57.2; St. John, 28.2; Montreal 25.5; Toronto, 12.0; Hamilton, 9.7; London, 8.9 and Ottawa, 3.6; Halifax showed a decline of 24.2 and Peterboro 8.3 per cent.

WEEKLY BANK CLEARINGS.

(In comparison with same week last year.)

Eastern Cities.

	Jan. 4, 1917.		Change.	%
Montreal	$ 80,175,680	+$	16,289,359	25.5
Toronto	60,019,892	+	6,465,010	12.0
Ottawa	5,307,818	+	186,850	3.6
Hamilton	4,693,055	+	415,497	9.7
Quebec	4,033,436	+	1,463,507	57.2
Halifax	3,345,543	—	1,067,852	24.2
London	2,643,301	+	215,322	8.9
St. John	2,272,708	+	507,788	28.2
*Brantford	....		....	....
Peterboro	590,992	—	53,363	8.3
Total, East.	$163,082,425	+$	24,422,118	17.6
Kitchener	547,324			
Sherbrooke	539,398			

Western Cities.

	Jan. 4, 1917.		Change.	%
Winnipeg	$ 28,634,043	—$	5,370,088	12.2
Vancouver	6,986,810	+	1,233,270	21.4
Calgary	5,009,927	+	679,301	15.6
Edmonton	2,542,414	+	25,137	0.9
Victoria	1,334,330	—	99,093	6.9
Regina	3,465,759	+	738,888	27.2
Saskatoon	1,629,396	+	278,456	20.6
Moose Jaw	1,351,097	+	89,064	7.0
F. William	589,192	+	98,698	20.1
Brandon	681,276	—	212,382	23.8
Lethbridge	788,137	+	256,274	48.2
N. Westm'ter	249,901	+	10,040	4.2
Medicine Hat	495,676	+	110,641	28.8
Total, West.	$ 63,757,958	—$	2,161,794	3.3
Gr. total	$226,840,383	+$	22,260,324	10.9

*Returns not received at time of going to press.

MONTHLY BANK CLEARINGS.

(In comparison with same month in 1915)

Eastern Cities.

	Dec., 1916		Change.	%
Montreal	$363,303,210	+$	64,140,661	21.4
Toronto	260,139,646	+	58,018,598	28.7
Ottawa	25,207,027	+	4,376,482	21.0
Hamilton	20,561,092	+	5,039,676	32.4
Quebec	19,039,914	+	4,102,079	27.5
Halifax	11,935,054	+	1,606,208	15.6
London	9,654,810	+	1,123,986	13.2
St. John	9,025,354	+	2,034,801	29.1
Brantford	3,451,952	+	701,726	25.5
Peterboro	2,420,279	+	131,869	5.7
Total (East)	$724,738,338	+$	141,276,086	24.2
Sherbrooke	2,746,934			
Kitchener	2,534,787			

Western Cities.

	Dec., 1916		Change.	%
Winnipeg	$227,701,152	—$	33,867,433	12.9
Vancouver	30,021,584	+	4,317,838	16.8
Calgary	27,481,680	+	4,311,369	18.6
Edmonton	12,401,167	—	183,485	1.4
Victoria	7,288,353	+	494,966	7.3
Regina	14,897,333	+	1,882,927	14.4
Saskatoon	8,649,268	+	1,564,215	22.1
Moose Jaw	6,120,755	—	443,013	6.7
Ft. William	2,782,041	—	1,162,779	29.5
Brandon	3,003,743	—	880,195	22.7
Lethbridge	4,442,286	+	1,444,798	48.3
N. Westminster	1,203,850	+	115,199	10.6
Medicine Hat	2,796,747	+	600,828	27.3
Total (West)	$348,789,959	—$	21,804,765	5.8
Grand Total	$1,073,528,297	+$	119,471,321	12.5
Year to date	10,509,186,695	+	2,718,816,821	34.9

EXCHANGE.

The feature of the week has been an advance in demand sterling from $4.75⅝ to $4.75¾. This is generally accounted for as being one result of the cheapness of money in New York. Cables have remained unchanged at $4.76 7-16. Francs have been steady and unchanged. Marks have been decidedly heavy, demand selling down from 73 to 71. Kronen have also been weak, opening at 11.80 and closing at 11.72. Roubles have also been off color, the declines extending from 30.50 to 29.55 for demand and 30.10 to 29.45 for cables. New York funds which were at a premium of 1-32 at the beginning of the week, closed heavy at 1-32 discount to sellers. This is due to the banks' action in bringing back money from New York to meet the requirements of the fifty million dollar credit to the Government.

MONEY.

Call money continues to rule very easy in New York, around 2½ per cent. Some transactions were reported during the week as low as 2¼ per cent. The favorable bank statement at the end of December and the fact that the January interest and dividend money is returning to the banks were responsible for the action of lenders in reducing interest rates. In London, call money has ranged from 4¾ to 5 per cent. The feature of the market over there has been the withdrawal of the treasury bills, pending the issue of a new loan. These bills are an expensive form of financing, and the Government may well favor a less costly method.

STERLING BANK.

H. F. Hendershott, junior at the St. Catharines branch has been transferred to the Fort Erie branch as junior.

P. Cameron, who was junior at the Cornwall branch has been transferred to Killaloe.

G. A. R. Allen has been appointed teller at the Thornhill branch.

C. W. Cook, teller at Thornhill, has been transferred to North Bay branch, in the same capacity.

P. G. Dewan, teller at North Bay, has been transferred to the Toronto office.

G. J. S. Loynes, of the head office has been appointed manager at Dungannon.

BANK OF COMMERCE.

A. E. Foster, has been appointed accountant at the Taber branch of the Bank of Commerce.

D. G. Kennedy, audit officer at Winnipeg, has been appointed auditor at the head office of the bank, to succeed Mr. Buntain, who died on the 20th ultimo.

H. A. Taylor, accountant at the Halifax branch, has been appointed an audit officer in the inspector's department at Winnipeg.

W. R. Davies, accountant at London, Ont., has been appointed accountant at the Halifax branch.

H. S. Renwick, accountant at the Bloor and Yonge Streets, Toronto, branch, has been appointed accountant at London, Ont.

G. G. Maynard has been appointed accountant at the Vegreville branch.

Lieut. Harold G. Barnum, of Toronto, has been awarded the Military Cross for bravery in action. Before enlisting he was employed as an accountant in the Bank of Commerce. Lieut. Barnum, who went over to England with the Q.O.R. seven years ago, enlisted with the 35th Battalion, but on his arrival in England transferred to another battalion, going into action immediately. He was wounded at the second battle of Ypres, when he was struck by a fragment of shrapnel shell on the head. After convalescing he was appointed aide de camp to the headquarters staff at West Sandling.

CITY AND DISTRICT BANK.

Richard Bolton, has been elected vice-president of the Montreal City and District Savings Bank, to succeed the late Hon. Robert Mackay.

BANK OF B. N. A.

R. R. F. Harvey, who has been connected with the Kingston branch of the Bank of British North America for the past twenty-five years, and has latterly been acting manager, has been appointed manager of the branch. Mr. Harvey is one of Kingston's most popular and highly esteemed banking men.

"Captain W. H. Kippen, formerly employed in the Toronto head office branch of the Bank of British North America, has been awarded the Military Cross. Captain Kippen enlisted as a private in the Q.O.R., won his commission on the battlefield of Flanders, and has been once wounded. Captain Kippen was born in Lennoxville, Quebec, and went to the front with the 1st Contingent.

STANDARD BANK.

The Standard Bank has declared its regular quarterly dividend of 3¼ per cent., payable on February 1, to shareholders of record January 22.

NEW BANK BRANCHES.

During the month of November the Canadian chartered banks opened twenty-four branches and closed twenty-three. The Royal Bank opened five branches, one each in Saskatchewan, Ontario, Newfoundland, Cuba, and Toronto. The Merchants opened five also, these being situated: two in Ontario, one each in Alberta, Quebec and Saskatchewan; Hochelaga, two in Quebec, one in Ontario; Union, three in Saskatchewan; Commerce, two in Saskatchewan; Montreal, two in Ontario; Standard, one in Alberta; Nova Scotia, one in Newfoundland; Toronto, one in Alberta; Hamilton, one in Alberta. Twenty branches of the Quebec Bank were closed as a result of the absorption of that institution by the Royal Bank. The Bank of Hamilton closed one branch in Manitoba, and the Bank of Ottawa two in Ontario. Following is a list of the branches opened and closed, as shown by Houston's Bank Directory:

(Opened.)

*Adamsville, Que., Banque d'Hochelaga; *Birch Hills, Sask., Canadian Bank of Commerce; *Bonfield, Ont., Banque d'Hochelaga; Brant, Alta., Bank of Hamilton; Bulyea, Sask., Union Bank of Canada; Burdette, Alta., Standard Bank of Canada; Burgeo, Nfld., Bank of Nova Scotia; *Dysart, Sask., Royal Bank of Canada; Hatton, Sask. (P.-O. Forres), Union Bank of Canada; Hazenmore, Sask., Union Bank of Canada; *Keewatin, Ont., Royal Bank of Canada; Marystown, Nfld., Royal Bank of Canada; *Millicent, Alta., Merchants Bank of Canada; Montreal, Que. (Notre Dame de Grace), Merchants Bank of Canada; *Mount Pleasant, Ont., Merchants Bank of Canada; Niagara Falls, Ont., Merchants Bank of Canada; Palma Soriana, Cuba, Royal Bank of Canada; Prelate, Sask., Merchants Bank of Canada; Renfrew, Ont., Bank of Montreal; *Richard, Sask., Canadian Bank of Commerce; *St. Isidore, Que., Banque d'Hochelaga; Toronto, Ont. (Church Street), Royal Bank of Canada; Toronto, Ont., Exhibition Camp, Bank of Montreal; Sibbald, Alta., Bank of Toronto.

(Closed.)

Calgary, Alta., Quebec Bank; Camp Hughes, Man., Bank of Hamilton; Edmonton, Alta., Quebec Bank; Hamilton, Ont., Quebec Bank; Iroquois Falls, Ont., Bank of Ottawa; Medicine Hat, Alta., Quebec Bank; Keewatin, Ont., Bank of Ottawa; Ottawa, Ont. (Wellington Street), Quebec Bank; Ottawa, Ont. (Dalhousie and York Street), Quebec Bank; Pembroke, Ont., Quebec Bank; Quebec, Que. (Lower Town), Quebec Bank; Regina, Sask., Quebec Bank; St. John, N.B., Quebec Bank; Saskatoon, Sask., Quebec Bank; Sherbrooke, Que., Quebec Bank; Sturgeon Falls, Ont., Quebec Bank; Swift Current, Sask., Quebec Bank; Thorold, Ont., Quebec Bank; Toronto, Ont. (King Street West), Quebec Bank; Vancouver, B.C., Quebec Bank; Victoria, B.C., Quebec Bank; Winnipeg, Man., Quebec Bank; Westmount, Que. (Green Avenue), Quebec Bank.

*Sub-branches.

The total number of branches of the Canadian banks at the end of November totalled 3,297, and were distributed as follows:

Ontario	1,153	
Quebec	781	
Nova Scotia	111	
New Brunswick	80	
Prince Edward Island	17	
Manitoba	200	
Alberta	247	
Saskatchewan	409	
British Columbia	187	
Yukon	3	
		3,188
In Newfoundland		27
Elsewhere		82
Total		3,297

The table following shows the monthly changes for the years 1913, 1914, 1915, and for the first eleven months of 1916:

	1916		1915		1914		1913	
	*Op.	Cl.	Op.	Cl.	Op.	Cl.	Op.	Cl.
Jan.	16	14	6	9	16	6	34	4
Feb.	10	12	13	9	18	6	26	6
March	11	12	23	10	25	5	24	3
April	3	9	10	7	20	9	28	1
May	16	8	19	13	51	13	10	8
June	9	8	28	18	33	11	22	10
July	13	3	9	6	11	2	19	8
Aug.	10	5	9	6	13	8	19	5
Sept.	6	6	23	11	10	9	18	12
Oct.	30	11	0	7	15	11	28	12
Nov.	24	23	10	14	5	16	25	8
Dec.	..	..	15	24	20	23	20	4
Total	148	111	169	134	237	119	298	86

*Op.—Opened; Cl.—Closed.

FROM PEACE TO WAR—
Transition Period Provided for by New Organization.

An indication of German thoroughness is given by the announcement that the German government is creating the "Bureau for the Transition Period Between War and Peace Conditions," which is charged with probably the hardest task that ever confronted a similar organization. Its principal function is the re-mastering of export trade. After the war other countries will purchase as little as possible, and contra-wise, will strain every fibre to manufacture as much as possible and to sell absolutely all they can spare. Their successful recovery from the throes of the most terrific contest ever known in history is greatly dependent upon their ability to revive and build up their export trade.

From "The Americas"—organ of the National City Bank of N.Y.

UNLISTED STOCKS.

Furnished by A. J. Pattison, Jr., & Co., Toronto, Jan. 3, 1917:

Quotations—	Bid.	Ask.
Abitibi Power, com.	70.00	78.00
Do., pref.	90.00	.....
Arena Bnds (Toronto)	.....	93.00
Atlantic Sugar, com.	15.00	.....
Belding Paul, pref.	69.00	.....
Do., bnds	.....	97.00
Canadian Furniture, pref.	....	50.00
Canadian Machinery 6's	71.00	80.00
Do., pref.	39.00	.....
Canadian Marconi	1.35	2.50
Canadian Mortgage	90.00	97.00
Canadian Oil, com.	35.00	.....
Do., pref.	70.00	.....
Canadian Westinghouse	140.00	.....
Continental Life	21.00	25.00
Crown Life	80.00	.....
Dom. Pw. & Trans., com.	64.00	70.00
Do., pref.	95.50	.....
Dominion Mfg., pref.	.....	45.00
Dom. Perm. Loan	70.00	.....
Dunlop Tire, pref.	92.00	97.00
Dom. Steel Fdy., pref.	90.00	97.00
Frontenac Brew., 6% bds.	.....	92.00
Home Bank	60.00	70.00
International Milling, pref.	90.00	100.00
Imperial Oil	260.00	.....
Loews Theatre, com.	65.00	.....
Do., pref.	.....	80.00
London Loan & Savings	91.00	.....
Do., pref	82.00	.....
McDonald, com.	.....	17.00
Morrow Screw, 6% bonds	80.00	89.00
National Drug, pref.	.....	90.00
People's Loan & Savings	85.00	92.00
Prudential Trust	.....	80.00
Ruddy, E. L., pref.	.....	95 00
Standard Reliance Loan	43 00	48 00
Steel & Radiation, com.	31.00	.....
Do., pref	.....	78 00
Sovereign Life	15 00	25 00
Trusts & Guarantee	85.00	.....
Tough Oaks	2.70	3.00
Ford Motor	....	330.00
Ontario Pulp, bonds	....	83.00
Volcano Oil	120.00	.....
Dom. Glass pref.	83.00	.....
Eastern Car, pref.	70.00	.....
Do., 6% bonds	95.00	.....
Northern Elec. 6% bonds	91.00	98.00
Russian Govt. 5½% bonds	30.00	31.50
Anglo-French, 5%	92.75	93.75
Belding Paul, com.	15.00	.....
Dom. Linen 20% bonds	.....	100.00
Imp. Steel & Wire, pref.	2.25	5.25
Do., common	.....	4.00
Trusts & Guar. 20% pd.	21.00	.....
Toronto Paper 6% bonds	80.00	.....
Carter Crume, com.	.....	15.00
Do., pref.	.....	90 00
United Cigar Stores	1.10	.....

Safety of Principal, Certainty of Interest

A writer in one of our financial journals recently said that real estate mortgages combine the two great essentials of a conservative investment—safety of principal and certainty of interest.

To those who have funds for investment only in small sums, this most desirable class of security is not directly available. They may, however, secure all those advantages by investing in the bonds of this corporation, which are based on upwards of thirty-two million dollars of carefully selected first mortgages on improved real estate. These bonds may be had in denominations of one hundred dollars. They are a security in which Executors and Trustees are expressely authorized by law to invest trust funds.

Send for specimen bond, copy of Annual Report and full particulars.

Canada Permanent
Mortage Corporation

Paid-up Capital, - - $6,000,000.00
Reserve Fund, - - 4,750,000.00
Investments, - - - 33,546,242.74
Toronto Street TORONTO
ESTABLISHED 1855

NATIONAL DRY GOODS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The 'Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 5th day of December, 1916, incorporating David Kertzer and Morris Geller, merchants, and Frederick Christian Peters, accountant, all of the city of Hamilton, in the Province of Ontario; Isaac Rice, merchant, of the city of Toronto, in the said Province of Ontario, and Harry Culnier, merchant, of the city of St. Catharines, in the said Province of Ontario, for the following purposes, viz.:—(a) To carry on business as wholesale and retail dealers in dry goods, stationery, small ware, fancy goods, jewellery, leather goods, cutlery, gents' furnishings, ladies' cloaks, suits, ladies' wear, household goods, household furniture, and to manufacture, buy, sell and deal in goods, wares and merchandise of all kinds; (b) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property, or any right or privileges which the company may think necessary or convenient for the purpose of its business or capable of being profitably dealt with in connection with any of the company's property or rights for the time being; (c) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently caried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (d) To acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (e) To enter into any partnership or into any arrangements for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on, or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (f) To enter into any arrangements with any authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (g) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (h) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company, if authorized so to do by the vote of a majority in number of the shareholders present or represented by proxy at a general meeting duly called for considering the matter, and holding not less than two-thirds of the issued capital stock of the company; (i) To adopt such means of making known the products and business of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (j) To pay out of the funds of the company all expenses of or incidental to the formation, registration and advertising of the company, or in or about the promotion of this company or the conduct of its business; (k) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (l) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise; (m) To do all such other things as are necessary, contingent, incidental or conducive to the attainment to any one or more of the above objects, and which the company may think expedient and so that the objects specified in each paragraph of the clause shall except when otherwise expressed in such paragraph, be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or to or from the name of the company; The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "National Dry Goods, Limited," with a capital stock of one hundred thousand dollars, divided into 1,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 11th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

DIVIDENDS DECLARED.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of One and Three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the Quarter ending 31st DECEMBER, 1916, payable JANUARY 15th, 1917, to Shareholders of record DECEMBER 30th, 1916.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 18th December, 1916.

AUTOS CUTTING INTO EARNINGS OF RAILROADS

Decline in Profits Has Accompanied Popularity of Gasoline.

VIEWS OF R. R. OFFICIALS

Point Out That Situation is Not Necessarily Serious, and That the Automobile Industry Has Helped Other Revenue.

Canadian railroad passenger officials have disclosed some interesting facts in connection with the inroads the increasing use of automobiles have made on passenger traffic receipts in the course of interviews with THE FINANCIAL POST. It is said by high officials that, although there is undoubtedly a serious loss in railroad earnings on this account, the general situation is in so elastic a state that no hard-and-fast conclusion can be drawn. In addition, any investigation of what is termed one of the most important problems of the day in connection with railroad earnings is hampered at the outset by the lack of available statistics in regard to the Canadian situation. Fortunately, however, this does not apply to the States, so that by studying the available figures on the situation over the line, in conjunction with what is known of the situation here, it is possible to form a fairly accurate opinion on a development that is still in progress of forming.

No Alarm Felt.

One very satisfactory feature of the case is that, despite apparent losses from the cause referred to, officials profess to see no reason for alarm over the situation. It is reasoned that such losses as do occur in actual passenger receipts are certainly made up to a partial extent, and perhaps even more than made up by gains in other departments. Of the direct and visible gains in this respect, the freight business in connection is the most notable. Amongst the less tangible gains might be cited the growth of general business through which the industry has so many ramifications. There is also the stimulation of general travel amongst people who become addicted with the wanderlust of the automobile user. Offsetting this again are the large sums constantly being diverted from railroad travel for pleasure by the purchase and upkeep of cars.

Number Corresponds to Decline.

The following table illustrates the connection between the increase in autos used and the decrease in passenger earnings in the United States. In contrast to the comparatively small yearly increases in passenger earnings are noted the more satisfactory increases in the freight department:

	Passenger Revenue		Freight Revenue	
	Yearly gain	Ratio of gain in 1916 over other years	Yearly gain	Ratio of gain in 1916 over other years
1916	*8.5	....	21.2	....
1915	9.2	8.5	*3.4	21.2
1914	0.8	*1.5	*3.8	16.9
1913	6.1	*0.7	12.8	12.6
1912	*1.1	5.3	0.8	26.9
1911	4.3	4.2	10.5	28.0
1910	12.1	8.7	15.1	27.6
1909	*0.5	21.9	1.3	47.0
1908	...	21.3	....	48.7

*Decrease.

An interesting fact in connection with the decline in passenger earnings is that it is first noted in 1910, as the sale of autos began to gather headway, although large scale production did not begin until 1911. Confirming this is the fact that, although from 1901 to 1909 the gain in passenger revenue was 60 per cent., against 51 per cent. for freight, the gain from 1908 to 1916 was only 21 per cent. for passenger revenue, against 48 per cent. for freight.

$1,500,000 in 1915.

According to a recent estimate, there were about 700,000 cars bought in the United States in 1915. Values generally ran from $1,200 to $2,400 per car. Taking the lower figure, the total expenditure amounts to $840,000,000. The operation of the total cars in use consumed 1,740,000 gallons of gasoline, which, at 20c a gallon, amounted to $348,000. Tire renewals run from $150 to $250 a car per annum. The 2,075,000 cars in use in 1915 at only $100 a car would absorb $207,500,000 per year. Wages for chauffeurs and garage expense would make up the difference necessary to establish $1,500,000 as the total money absorbed by the automobile industry of the United States in 1915.

Diversion Affects Travel.

It is impossible to divert such a large sum of money from normal use without affecting travel. But too many other factors affect railroad travel for it to be said that this diversion alone is responsible for the falling off which has occurred.

Four-fifths of Visitors Use Cars.

An important summer resort centre in Maine estimates that during last season 81 per cent. of the summer visitors arrived and departed by auto, and the remaining 19 per cent. by train. This, of course, is exceptional, as it applies only to a certain section and class, and which it might be added is largely swollen by additions from Canada. It is, however, indicative of the general situation. In California, where the roads are better and the weather suitable for all-the-year-round use, it is probable that this condition prevails generally. It is noted that 575 cars recently left Los Angeles in one day for San Francisco as part of the normal daily travel.

Canadian Climate a Factor.

The Canadian climate tends to prevent as general a growth of the movement here. They are less generally used in winter. None the less, the tendency follows that of the United States. The extensive use of cars in the prairie sections of the country is especially noted.

ANGLO NEWFOUNDLAND.

Company Concludes a Year of Difficulties Brought About by the War.

That the generally favorable conditions in the pulp and paper trade noted for some time past have not been universal is indicated by the annual report of the Anglo Newfoundland Development company of which Lord Northcliffe is the head and which operates an up-to-date pulp and paper plant at Grand Falls, Newfoundland. Profits for the year ending August 31st amounted to £65,542, which compares with £71,166 in the previous year and with £65,054 in 1913. Profits were brought down after making due provision for depreciation on buildings, plants, machinery, logging gear, housing, furnishing and all other equipment and for income tax. After setting aside £10,000 together with the amount of interest already cancelled for debenture holders and providing for debenture interest and sinking fund there was carried to the balance sheet the sum of £30,794, making a total balance of £56,581.

According to the report of the directors war conditions have proven a serious handicap. The report says:

> The past year has been full of difficulties for the Company, owing to conditions brought about by the war. The British Government restrictions of imports of paper and pulp have meant a reduction in the quantity of paper shipped, while there has been a steady increase in the costs of all materials necessary for the effective working of the mill. Adequate supplies of coal have been particularly difficult to obtain, even at high prices. Shipping also has been a great problem during the year, due to the scarcity of suitable tonnage as well as to the exceptionally high freight rates.

As regards the future it is pointed out that while at the moment the general position of the company may be regarded as satisfactory in the circumstances the outlook in regard to the importation of products, shipping scarcity, expensive freight, high prices of all materials, and coal in particular, are such that the difficulties during the present year may be even greater than those experienced during the past fiscal period.

PORT OF MONTREAL.

Year's Figures Show Some of the Difficulties Prevailing.

There came to the port of Montreal for cargoes, during the season which is now closed, 685 sea-going vessels with a total tonnage of 2,119,051, as against 815 vessels last year with a total tonnage of 2,261,374. Although the two totals compared seem to show that last year's business transacted by the port was more than this year, it is believed that further analysis will show that, if the coasting tonnage included in the returns for all the years were eliminated, the total of ocean-going ships this year would exceed that of any year in the history of the port.

Coal, for example, which has formed in other years a great part of the cargoes brought up to Montreal from the Maritime Provinces, has come in comparatively small quantities this year because of the difficulty of getting tonnage. Last year there were probably two or three times as many coasting vessels as this year. The average capacity for cargo of the ships, which came this year, is also ahead of last year, another result of the large number of coasting vessels in last year's list.

Grain has again formed the major portion of the port's exports. Up to the end of November the exports from the elevators of the Harbor Commissioners and the Grand Trunk Railway reached the goodly figure of 71,646,455 bushels.

The old stone building at the corner of Main and Water Street, Galt, known as the Commercial Block, has passed into the hands of the Canadian Bank of Commerce. It has had many owners in its day, and has housed several banks and many business houses.

THE CASTLE MANUFACTURING COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 12th day of December, 1916, incorporating John Calvin Macfarlane, barrister; Ernest C. Fetzer and Armond Whitehead, students; Elizabeth Connor and Marion Mackay, stenographers, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To acquire, take over and carry on as a going concern the business now carried on at the City of Toronto, in the Province of Ontario and elsewhere under the firm name and style of The Castle Manufacturing Company, and all or any of the liabilities owned or used in connection therewith and the good-will thereof, and to pay for the same in paid-up shares of this company; (b) To manufacture, purchase, sell, import, export, traffic and deal and generally trade in all manner and kinds of toys, playthings, sporting goods, wood novelties, metal novelties, bicycles, models, wood and metal kitchenware, and all articles of metal and all parts thereof, and also forgings, metal castings, leather and rubber goods, and carry on business of printing, stereotyping, wood-cutting, lithographing, engraving, publishing, book-binding, box-making, cabinet-making, painting, enamelling, nickel plating, copper plating brass plating, metal and wood working, and all other articles and things capable of being used in connection with the manufacture and sale of the same; (c) To manufacture, either wholly or in part, purchase, lease or otherwise acquire machinery and any and all apparatus necessary or useful in connection with the business of the company, and to sell, lease or otherwise dispose of the same; (d) To acquire and operate any plant, machinery, stock in trade, rights or privileges that the company may deem necessary for the purpose of its undertakings, or any part thereof; to acquire property, either real or personal, movable or immovable, and to pay for the same wholly or in part in stock and bonds of the company; (e) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (f) To acquire and take over as going concerns the undertaking, assets and liabilities of any person or company carrying on any business in whole or in part similar to that which the company is authorized to carry on, or possessed of property suitable for the purposes of this company, and with a view thereto to acquire all or any of the shares or liabilities of such companies; (g) To apply for, purchase or otherwise acquire, any patents of invention, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (h) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (i) To enter into any arrangements with any governments or supreme authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions; (j) To promote any company or companies for the purpose of acquiring or taking over all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (k) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business and in particular any machinery, plant, stock in trade; (l) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons; (m) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (n) To invest and deal with the moneys of the company not immediately required in such manner as from time to time may be determined; (o) To apply for, secure, acquire by assignment, transfer, purchase, or otherwise, and to exercise, carry out and enjoy any charter, license, power, authority, franchise, concession, rights or privilege, which any government or authority or any corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect, and to appropriate any of the company's shares, bonds and assets to defray the necessary costs, charges and expenses thereof; (p) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (q) To sell, lease or otherwise dispose of the whole or any branch or part of the business, undertakings, property, liabilities, franchise of the company to any other person or company for such consideration as the company may think fit, and in particular for shares, debentures or securities of any company having objects altogether or in part similar to those of this company; (r) To acquire by purchase, lease or other legal title, either for money or fully paid shares of its capital stock, or its securities, any real estate necessary or useful for the carrying on of the business of the company, and to lease, sell or otherwise dispose of its real estate holdings, and to contract, operate and maintain buildings, warehouses, factories and other works for the carrying on of its said business; (s) To distribute in specie or otherwise, as may be resolved, any assets of the company among its members and particularly the shares, bonds, debentures or other securities of any other company formed to take over the whole or any part of the assets or liabilities of this company; (t) To do all or any of the matters hereby authorized either alone or in conjunction with, or as factors, or agents, for any other companies or persons or by or through any factors, trustees or agents; (u) To pay all or any costs, charges or expenses preliminary or incidental to or incurred in connection with the promotion, organization, formation, establishment, registration and incorporation of the company; (v) The powers in each paragraph to be in no wise limited by reference to or inference from the terms of any other paragraph. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Castle Manufacturing Company Limited," with a capital stock of one hundred thousand dollars, divided into 1,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 14th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

FORGINGS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 12th day of December, 1916, incorporating William Henry Irving, Henry Hague Davis, Edward Henry Brower and John Rudd Rumball, barristers-at-law, and Lawrence Alfred Landriau, student-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.: (a) To carry on the trade or business of iron masters and steel makers in all their respective branches, and to manufacture, buy, sell and deal in iron, steel and all other metals from the ores to the finished products thereof, and all articles, goods, wares and merchandise in which iron or steel or any other metal is or may be used; and also to manufacture, buy, sell and deal in ammunition, war munitions and explosives of all kinds, and all materials, substances, appliances and things required for and incidental to the manufacture, preparation, adaptation, use, firing or working of explosives and ammunition, or the packing, storage, carrying or disposition thereof, and any goods, substances, machines, tools, articles, apparatus or things in or for the manufacture, or any process of the manufacture of which the plant, machinery or property of the company may be available or suitable; (b) To buy, sell, manufacture and deal in goods, stores, consumable articles, chattels, effects of all kinds, both wholesale and retail, and to construct and acquire, operate and manage hotels and boarding and lodging houses; (c) To acquire by purchase, lease, license, concession, exchange or other legal title, and to construct, erect, operate, maintain and manage all factories, shops, mills, storehouses depots, machine shops, engine houses and other structures and erections, and all other property, real, personal, movable and immovable, and all rights, licenses and concessions necessary or useful for the carrying on of any of the business of the company, and to lease, sell and dispose of the same; (d) To apply for, obtain, register, purchase, lease or license on royalty or otherwise acquire, and hold, own, use, operate and introduce, and to sell, assign or otherwise dispose of any trade-marks, trade-names, copyrights, patents of invention, improvements and processes, under registration or otherwise, and to use, exercise and grant licenses in respect of or otherwise turn to account any such trade-marks, trade names, copyrights, inventions, licenses, processes and the like, or any such other property or rights; (e) Notwithstanding the provisions of section 44 of the said Act, to purchase and acquire and to hold, own and sell, with or without guarantee, the shares, debentures and bonds of any manufacturing or other corporation carrying on business similar to that of this company, and to amalgamate with any company constituted for the carrying on of any similar business and to acquire by purchase, lease or otherwise, and to manage, operate and carry on the property, undertaking and business of any such corporation; (f) To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation carrying on any business which this company is authorized to carry on, or possessed of any property or rights suitable for the purposes of this company; (g) To issue, allot and deliver fully paid and non-assessable shares, debentures, debenture stock or other securities of this company in payment or part payment of any property, contracts, rights, shares, debentures or securities of any other company which this company may acquire for the purpose of its business; (h) To remunerate any person, firm or company for services rendered or to be rendered to the company in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital, or any bonds, debentures, debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business, and, with the approval of the shareholders, to issue, allot and deliver fully paid and non-assessable shares of the capital stock of the company in payment or part payment for services so rendered; (i) To promote or assist in promoting any subsidiary, allied or other company carrying on or having power to carry on any business altogether or in part similar to that of this company, and to accept in payment of its services in promoting such company fully paid-up shares, bonds or securities of said company, and to purchase, subscribe for or otherwise acquire its shares, bonds and securities, and to hold, sell, re-issue, with or without guarantee, or otherwise deal in the same; (j) To enter into any partnership or arrangement for sharing profits, union of interests, joint adventure, reciprocal concession or otherwise with any person or persons or company engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this company is authorized to carry on or conduct, or from which this company would or might derive any benefit whether direct or indirect; (k) To aid in any manner any corporation any of whose shares or capital stock, bonds or other obligations are held or are in any manner guaranteed by the company; to guarantee the contracts of any corporation and to do any acts or things for the preservation and protection, improvement or enhancement of the value of any such shares of capital stock, bonds or other obligations; to do any and all acts and things tending to increase the value of any of the property at any time held or controlled by the company; (l) To sell, lease or otherwise dispose of the property and undertaking of the company, or any part thereof, in such manner and for such consideration as the company may think fit, and in particular for shares (fully or partly paid-up) debentures, debenture stock or securities of any other company, whether promoted by this company for the purpose or not; (m) To improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company, and to distribute any of the company's property among the members in specie; (n) To invest and deal with the moneys of the company not immediately required in such securities as may from time to time be determined upon; (o) To accept in payment of any work done by the company stock, shares, bonds, debentures or other securities of any company; (p) To issue, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and debenture stock and other negotiable or transferable instruments; (q) To do all or any of the above things, either as principals, agents or otherwise, and either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise; (r) To do all such other things as are incidental or which the company may think conducive to the attainment of the above objects or any of them; (s) The objects specified in each of the above clauses shall in no wise be limited or restricted by reference or inference from the terms of any other clause or the name of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Forgings, Limited," with a capital stock of one hundred thousand dollars, divided into 1,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada this 14th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 25th day of July, 1916, incorporating Britton Osler, barrister; William Alfred James Case, solicitor; George Charles Loveys, accountant; William Morley Smith, and Charles Lawford Valens, students-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To produce, manufacture, purchase, acquire, refine, smelt, store, distribute, sell, dispose of and deal in nickel, copper, iron, steel, manganese, cobalt, coal, coke, platinum, palladium, sodium, metals, minerals and mineral substances, lumber and other materials, and all or any articles consisting or partly consisting of the above and all or any products thereof; (b) To acquire, own, lease, occupy, use, develop, trade in, deal in and contract with reference to lands or interests in land, mines, quarries, wells, leases, privileges, licenses, concessions and rights of all kinds, covering, relating to or containing or believed to cover, relate to or contain nickel, copper, iron, manganese, coal, petroleum, natural gas, oil, salt, chemicals, metals, minerals, stone or other ores or mineral substances of any kind; (c) To search for and to recover and win from the earth nickel, copper, iron, manganese, cobalt, coal, platinum, palladium, sodium, petroleum, natural gas, oil, salt, chemicals, metals, minerals and mineral substances of all kinds, and to that end to explore, prospect, mine, quarry, bore, sink wells, construct works or otherwise proceed as may be necessary; (d) To acquire, purchase, take on lease or license, hire, hold, use, sell, grant leases of, grant licenses of, exchange, alienate, dispose of and otherwise deal in or contract with reference to lands or interests in land, personal property of all kinds or interests therein, rights, privileges, licenses and concessions; (e) To acquire, lease, construct, improve, own, use, operate, deal in or contract with reference to ships, boats, or vessels of any description, wharves and wharfage facilities, docks and docking facilities, cartage plant, forwarding plant, warehouses and towing, wrecking and salvage plant or any interest in any of the same; (f) To manufacture and deal in appliances, implements, machinery, apparatus, goods and supplies in any way connected with or incidental to the operations of the company or to the use of any of the products of the company; (g) To work, manage, operate, turn to account, explore, develop and improve the properties of the company, whether mining, agricultural, timber or otherwise; (h) To deal in and contract with reference to timber lands, timber licenses and timber rights and to cut, render merchantable, handle, manufacture, deal in and contract with reference to timber and lumber of all kinds and all products thereof; (i) To acquire, lease, construct, improve, own, use and operate works for the development of power, light and heat, whether steam, electric or hydraulic, and to use, purchase, sell, supply, lease or otherwise deal in or contract with reference to power, light and heat, subject always to all local laws or regulations in that behalf; (j) To acquire, lease, construct, improve, own, use and operate irrigation works and works for the supply of water for other purposes, and to use, purchase, sell, supply, lease or otherwise deal in or contract with reference to water for irrigation or other purposes, subject always to all local laws or regulations in that behalf; (k) To manufacture or trade in property and goods of all kinds; to acquire, lease, construct, improve, maintain, own, use, operate, sell, let and deal in dwelling houses, lodging houses and hotels; to operate ranches or farms for live stock or agriculture, to breed, raise, keep, render marketable and deal in horses, cattle and live stock of all kinds and to produce and deal in all products thereof and all agricultural products; (l) To operate construction or building plants and to take and carry out contracts for buildings or for construction work of any kind; (m) To undertake, carry on and execute transactions as financial or commercial brokers or agents and to act as general commercial agents, commission men and manufacturing agents; (n) Notwithstanding the provisions of section 44 of The Companies Act, to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debentures, stocks or other securities or obligations, or any estate or interest therein; and to apply or to accept, in whole or in part, as consideration for, satisfaction of or security for any contract, indebtedness or obligation to or of the company, property, obligations, shares and securities of any kind, at such valuation and upon such terms as may be agreed upon; (o) To acquire, dispose of or otherwise deal in properties, businesses or undertakings of all kinds; (p) To furnish aid to any business or undertaking similar in whole or in part to that of the company with which the company may have business relations, by way of loans, bonus, endorsement, agreement, guarantee, management or other service, and to manage, supervise and control the same in whole or in part and to act as agent or attorney for the same; (q) To carry on any other business which may seem capable of being conveniently or advantageously carried on in connection with the business of the company or calculated directly or indirectly to enhance the value of, to facilitate the realization of or to render more profitable any of the company's business, properties or rights; (r) To invest the moneys of the company not immediately required in such investments as may from time to time be determined; (s) To co-operate in, aid in, subscribe towards or subsidize any proceeding or undertaking which may seem calculated directly or indirectly to benefit the company; (t) To acquire or undertake the whole or any part of the business, property and liabilities of any person, partnership, association or company having objects altogether or in part similar to the company or carrying on any business which the company is authorized to carry on, or possessed of property which may seem suitable or desirable for the purposes of the company; (u) To apply for, purchase or otherwise acquire and to protect, prolong and renew patents, patent rights, trade-marks, formulae, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, improve, develop or grant licenses in respect of or otherwise turn to account the property, rights or information acquired; (v) To enter into partnership or into any agree- with any person, partnership, association or ment for sharing of profits, or expense, union of interests, co-operation, joint adventure, reciprocal concessions or otherwise, company carrying on or engaged in or about to carry on or engage in, any business or transaction which the company is authorized to carry on or engage in or any business or transaction which may seem capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person, partnership, association or company, and to take or otherwise acquire shares and securities of any such partnership, association or company, and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same; (w) To take or otherwise acquire and hold shares in any partnership or stock or shares in any association or company having objects altogether or in part similar to those of the company or carrying on any business which may seem capable of being conducted so as directly or indirectly to benefit the company; (x) To apply for, promote and obtain from the Dominion of Canada, or any other authority, whether Dominion, Provincial, Imperial, Colonial or foreign, and including subordinate and municipal authorities, any statute, ordinance, order, regulation or other authorization or enactment which may seem desirable to the company or calculated directly or indirectly to benefit the company; (y) To enter into any arrangement with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges and concessions which the company may think desirable to obtain, and to carry out, exercise and comply with the terms of the same; (z) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or of its predecessors in business, or of any person, partnership, association or company allied with the company in business or subsidiary to the company or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments toward insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (aa) To promote, form, organize, manage, develop, take interests or stock or shares in and assist financially or otherwise any partnership, association or company for the purpose of acquiring or taking over all or any of the property and liabilities of the company or for any other purpose which may seem calculated directly or indirectly to benefit the company; (bb) To acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control plant, equipment, machinery, supplies, buildings, works, ships, warehouses, manufactories, pumps, tanks, pipe lines, smelters, refineries, roads, ways, canals, bridges, electric works, electric plant, hydraulic works, hydraulic plant, boats, ships, docks, wharves, piers, gas works, cables, waterworks, reservoirs, aqueducts, flumes, ditches and all such other structures, works, conveniences and appliances, as may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (cc) Where such course is required for the purposes of the company or may seem calculated directly or indirectly to advance the company's interests, to acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control, but only upon lands owned or controlled by the company, or over which the company may have a right or license to that effect, such roads, ways, bridges, lines of rail, spurs, sidings, tracks, rolling stock, cables, wires, motors, locomotives, electrical plant and all such other structures, works, conveniences and appliances as may be required for the purpose of maintaining communication by telegraph or telephone or of effecting the transport of goods or passengers, and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (dd) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (ee) To sell or dispose of the property or undertaking of the company, or any part thereof, for such consideration as the company may think fit, and in particular, and notwithstanding the provisions of Section 44 of the Companies Act for shares, debentures or securities of any other partnership, association or company; (ff) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (gg) To sell, exchange, lease, dispose of, turn to account or otherwise deal with or contract with reference to all or any part of the property and rights of the company; (hh) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of the company; (ii) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country, and to accept service for and on behalf of the company of any process or suit; (jj) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof, and to employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company; (kk) To distribute or divide assets of the company in specie amongst the shareholders; (ll) To do all or any of the above things as principals, agents, contractors, or otherwise, and either alone or in conjunction with others, and to do all such things as may seem directly or indirectly to be incidental to or conducive to or convenient or proper for the accomplishment of the purposes or the attainment of the objects of the company, or any of them, or expedient for the protection or benefit of the company; (mm) No power granted in any paragraph hereof shall be limited or restricted by reference to or inference from the terms of any other paragraph hereof. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The International Nickel Company of Canada, Limited," with a capital stock of five million dollars, divided into 50,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 27th day of July, 1916.

THOMAS MULVEY,
Under-Secretary of State.

THE FINANCIAL POST OF CANADA

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisements."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may demand.

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Financial Reports, Prospectuses, etc.,	15 cents per agate line.

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WAR BONDS AND TAXES.

THE Minister of Finance is to be commended for his vigorous presentation of the need for national economy through private saving, as announced on his second visit to Toronto following his return from England. There is no doubt whatever that the thrift campaign is a step in the right direction and it is regretable that when Professor Wrong began his agitation a year ago certain daily newspapers made the step for the time being impossible. Thrift is long overdue as articles in this number strongly urge and indeed quite prove. And it may not be too late yet. Sir Thomas White points out that "Financial strain and stress are always greatest in the closing years or months of the war. With Great Britain financing not only herself, but also her allies, the burden will be increasingly heavy. Finance will play a great part in winning this war."

One cannot, however, help doubting whether the thrift campaign will in itself be sufficiently successful. The Government will probably be able to sell more war bonds than it could without the campaign, but will it get enough funds in this way? Moreover, even if it did would this be a wise policy since it will leave to posterity the burden of paying to the relatively few who will save and buy bonds the total cost of the war. Should anyone benefit from the munitions business at the expense of posterity? What would bring more direct results is a tax system that will end the injustice of the whole system of war profits, curtail consumption and finance the war to a larger extent at once.

CONSERVATIVE DIVIDEND POLICY.

SIR THOMAS WHITE made it quite clear on Wednesday at Toronto that business houses ought to conserve their surplus earnings rather than declare large dividends and bonuses. If we have a period of dislocation after the war those who save now will be glad of this economy. Business houses, financial institutions, and large corporations should conserve their resources and not pay largely increased dividends. If they adhere to this policy they will have little to fear from the aftermath of the war. THE FINANCIAL POST has throughout the present period of industrial prosperity urged and supported the policy of conservation of liquid resources and provision against readjustment of capital values rather than immediate distribution of dividends. The conservative investor is more concerned with future security than early return.

HYDRO'S LACK OF RESERVES.

THE Hydro-Electric Commission is in serious difficulties with regard to its supply of Power, the reasons are obvious; the Commission originally provided for a supply of 100,000 horse power, and although the end of this supply was in sight three or four years ago, no steps were taken to secure an additional quantity. The Hydro-Electric Commission has had no contracts for an increased supply, no additional transmission lines, no separate batteries and no reserve steam plant. The business of the private Companies has been conducted on an entirely different basis; they have carried on business with the usual precautions and safe-guards, they have from time to time increased the number of units, in their generating stations at Niagara Falls, have added to their transmission lines, have purchased storage batteries and have large steam reserve plants, the cost of which has amounted to millions of dollars.

The Hydro-Electric Commission has encountered the difficulties which that body was warned against. It is obvious that with increase of business, there must be reserves of Power and operating facilities to meet it. The Hydro-Electric Commission has not conserved the usual portion of profits, and therefore has been unable to equip the necessary reserves. In any ordinary commercial undertaking the result would be bankruptcy. There is no royal road to commercial success.

Is it possible for the Commission to extricate itself and to overcome this fundamental weakness? Some months ago the Commission obtained the right from the Local Legislature to generate power from the Niagara and Chippewa Rivers, but the supply from this source will not be available for at least four or five years. At the present moment the Commission has appealed to the Dominion Government to restrict the export of Power from the Power House on the Canadian side to the United States, but under the franchise of the Canadian Companies they are entitled to export one-half of their production, and of the three companies, only one of them is exporting a greater quantity, and that one, the Canadian Niagara Power Company, will soon be in the same position, so that little, if any relief can be found there, but there is an unsurmountable difficulty against the restrictions of export, and also against the building of the proposed Chippewa Power plant, namely, that these matters have already been dealt with by International Treaty between Great Britain and the United States, made through the International Waterways Commission, whereby the total quantity of water which may be diverted from the Niagara and Chippewa Rivers has been limited to the amount now being taken by the Canadian Power Companies—there is a small quantity of second feet of water still available without breach of the Treaty, but quite insufficient for the required purposes—and the amount of power to be imported into the United States has also been fixed and cannot properly be altered without the consent of the authorities at Washington.

Should action be taken by the Dominion Government in this matter, at variance with the Treaty, retaliation might be expected in anthracite and petroleum.

An action is now pending in the Supreme Court of Ontario for an Injunction to restrain the Hydro-Electric Commission and the Attorney-General of the Province of Ontario from proceeding with the Chippewa development, on the ground that in the franchises of the Canadian companies the Government of Ontario has expressly contracted never to take water from the Niagara or Welland Rivers—the Welland and Chippewa Rivers are the same—for the generation of Electrical Power.

These are some features of the situation upon which those who enthusiastically voted for the Hydro proposals on Monday last might well reflect.

THE OLD YEAR AND THE NEW.

THE year which has just closed will in all probability rank first—at least up to the present—as a history-maker when time permits a proper perspective of the different events which have occurred. On the other hand the year upon which we are entering may quite well prove more eventful than that which has passed. The New Year is a pinnacle from which on one side is viewed a vista of remarkable changes and accomplishments, on the other the outlook is clouded in uncertainty, but great changes in the making are vaguely seen and felt. The year 1916 closes a calendar period in which the fortunes of the investor have been varied and changeful, but withal capital, especially that invested in industrial enterprises, has shown very satisfactory results—perhaps too satisfactory for our attitude towards our permanent position. The New Year ushers in conditions which make it necessary for very careful consideration of possible developments. Already the talk of peace, although evidently without any real foundation, has shown its effect upon speculative sentiment and indicated that a readjustment must be expected with the end of the war.

From this time forward peace is, therefore, likely to prove a constant factor in consideration of the whole investment situation. Opinion varies as to just how the adjustment will come about; whether it will come suddenly or whether, its arrival being generally expected, there will be gradual changes to meet the new conditions. However, there is a general agreement amongst students of economics, financiers and captains of industry that the increase of productive facilities with the close of the war and the general tendency of governments to conserve after a period of riotous spending will result in lower wages and reduced spending power and that these conditions will necessarily effect a change in the cost of living. The opening of another aggressive military campaign, as is forecast by the arrangements being made, may result in further preparations for securing supplies of munitions, but the fear of peace, the increased ability of the Allies to supply their own needs and the general strain upon the international financial situation would indicate that investors should follow a careful policy. At the same time orders on hand and prospective and the prevailing high price for food stuffs should insure prosperity in Canada and to a more or less extent in the United States, at least until the end of the conflict.

EDITORIAL NOTES.

THE cost of living is advancing by leaps and bounds—jack-rabbits are being made into sausage in Texas.

* * *

THE STOCK market started the New Year as though it had made a good resolution. May it last longer than the majority.

* * *

GERMANS are reported to be hoarding their money instead of trusting it to the banks. Perhaps they prefer to spend it themselves.

* * *

A DIVIDEND of 12 per cent. by the Krupp company evidently indicates that profits are being distributed while the opportunity lasts.

* * *

ROUMANIANS, no doubt have hopes that the oil resources they have lost will have some effect upon Europe's troubled waters.

* * *

PASSENGER mileage by auto in the United States is estimated at 54,000,000 as compared with a showing by the railroads of 35,000,000 passenger miles annually.

* * *

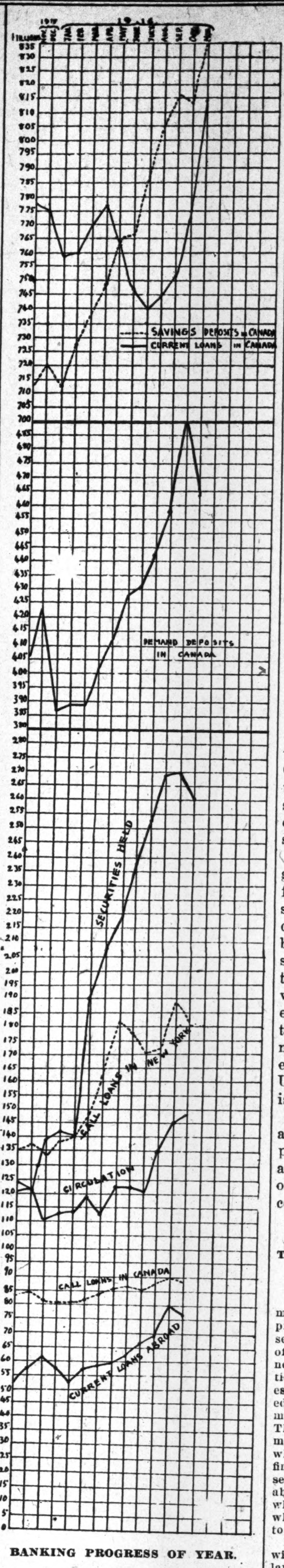
A DAILY contemporary says that it is the business of the newly-elected municipal councils in Ontario to save and not to spend. Looks as though everybody is asked to save the people's money but Beck.

* * *

THE appointment of Lord Cowdray, president of S. Pearson & Son, and widely known as the organizing genius behind that company's extensive development of oil properties, is another instance of politics bowing to the demands of efficiency in the conduct of the war.

* * *

AS BETWEEN the Bruce report and the Baptie report it looks as though final judgment rests with the people. If Dr. Bruce was as wrong as the Baptie commission would make out—and we are not inclined to believe this—at least he deserves admiration for courage in expressing his views in a manner which indicates that outside influences were ignored.



BANKING PROGRESS OF YEAR.

This chart indicates some remarkable developments in the banking progress of the last year. The increase in securities is particularly interesting; also, the increase in demand and in savings deposits. There is nothing more than a casual relation between current loans and savings deposits as a comparison of monthly figures proves conclusively. Note the regularity of call loans in Canada as compared with call loans in New York.

MOTION PICTURE EDUCATION

Canada Securing Benefits of Advertising in States Through Bureau of Economics.

Canadian industry and Canada's public resources are receiving a lot of valuable advertising in the United States through the Bureau of Commercial Economics, with its head centre in Washington, D.C., and to which nearly 500 manufacturers in Canada and the United States have furnished motion picture films.

The Canadian Government has recently supplied the Bureau with a series of films descriptive of some of our largest water power development works, such as at Shawinigan, Montreal, Niagara, Kakabeka, and Winnipeg River and in the Rocky Mountains, as well as films of western farming and the shipping of grain. These will be shown before an aggregate of millions, not only in the States, but in other lands, and, in exchange, similar films of Australia, South Africa and other Empire Dominions will be available here.

Inasmuch as the Bureau is international in its character, and that Canada is included therein, a description of its aims and objects may be of interest:

The motto of the organization, "The Eye Beholds," strikingly reveals its motif. The aim is to dignify the moving picture sense of the present day and to make it count as an educational force. The Bureau is affiliated with several of the leading educational institutions of the world, and is thereby facilitating a general movement in universal public instruction. It circulates films of the United States Government, Great Britain, Canada and the other dominions, the Republics of France, China, Argentine, and other countries, while the Japanese Government is the latest to co-operate in an international exchange of films. Norway and Switzerland are also co-operating. It is felt that the wide use of films of different countries and of their natural resources and commercial and industrial life, will serve a high educational purpose.

One of the chief objects of the Bureau is to show, by means of motion and still pictures how things are made, from the source of the raw material to its ultimate manufacture, especially the articles in common use. The screen is made to demonstrate, for instance, the sheep on the ranges, the dipping, washing and sheep-shearing processes, and the passing of the bale of wool through all its various stages to the making of cloth and clothing. Or the hide of a cow is taken through the tanning process to the making of shoes or gloves, while the flesh is treated as a food product, all ready to serve.

Other films illustrate the making of glass from sand, or china and pottery from clay, or pulp or paper from the standing timber in a northern forest, on to the printing of papers and the binding of books. Medicinal and foodstuffs films are also available—everything, in a word, that goes to make the warp and woof of life. Films of this educational character are supplied free through accredited educational channels all over the country, and they are equally available in Canada as in the United States, though the customs duty is at present a bar to their fuller use.

Frank Yeigh, of Toronto, is temporarily attached to the Bureau as a representative of the Dominion, and is at present engaged in giving a series of Canada Travelogues in the chief centres of the United States.

CURRENT OPINION

THE REVENUE AND NATIONAL EXTRAVAGANCE.

N.Y. *Journal of Commerce.*

It is a good thing that Congress has made enough progress with the larger appropriation bills, at this early date in the session, to be able to take a general view of the situation. Such a view is about as near as we can get, under existing conditions, to anything approaching a budget estimate. Even this is not usually attained until a session is so far advanced as to make its lessons of little immediate value. This year, however, the appropriation measures have been driven forward under whip and spur because of the desire to finish pending business during the short session of Congress. We are, therefore, able to tell with a good deal of accuracy where we are, financially speaking, and what the new war preparations are likely to cost.

It is plain that the final appropriations will not be cut, in any important particulars, much below the Government estimates, but will in many respects exceed them. The finance report issued early in December showed an impending difference between resources and outgo for this year and the next (for which Congress is now making appropriations) probably amounting to a sum between $200,000,000 and $400,000,000. Adding to this amount the cost of the higher pay for Government employes now seriously contemplated, the cost of continued policing of the Mexican frontier, and a few other probable items, it will be easy to spend another hundred million. If Congress should persevere in the plans for excessive and unnecessary public buildings and river and harbor outlays demanded by some members, still another hundred million might melt away. In short a deficit of $300,000,000 to $400,000,000 before the close of the next fiscal year seems certain, with an additional deficit of $100,000,000 to $200,000,000 probable. Precisely what to do in this situation and how to meet the problems it presents is no easy question.

The Treasury Department to-day has power to sell a large quantity of so-called Panama bonds, amounting to more than $225,000,000. Unofficial, but apparently authentic, statements from Washington indicate that the Administration does not favor such use of the borrowing power, but would prefer some other expedient. This is a natural sentiment, provided some alternative can be found, but throws the situation back upon new taxes as the only other resort. As is well known, the income tax has but just been raised, and other new measures have been voted, but have not gone into full effect. Their yield has, however, been counted upon in the deficit estimates, so that the question now presented is that of a further advance in these same duties or the application of new ones. Extreme reluctance has already been shown by party leaders toward the imposition of the income tax upon the lower grades of revenue. No change in this point of view is now to be expected, except as a matter of necessity. Hence, in the opinion of some who are carefully watching events, an extension of the internal revenue system or the revision of the tariff in certain particulars is to be looked for. Duties on tea, coffee and other articles not now taxed, or only very lightly taxed would doubtless bring in very large returns if employed.

Congress is thus face to face with the necessity of laying new taxes, borrowing or economizing. It knows that the public at large is already heavily burdened with duties, national, State and municipal, and is in no humor to accept new burdens without good reason. It also knows that the use of the borrowing power would be effectual only if loans were accompanied by taxes designed to provide for the new interest on an adequate footing. It also knows that the extravagance implied in the public buildings and river improvement disbursements pleases none but a few beneficiaries and is a proper target for the severest criticism. All this points to the urgent necessity for a financial policy that will adjust income to outgo, cut off unnecessary outlays, or make it evident that if provided for, appropriations so made will be furnished only by extra taxation, and devise a well-ordered system of getting new revenue at the minimum of cost and injury to the community. Whether the development of such a policy be termed a "budget system" or be given any other name, it is immediately and vitally pressing. If the United States is from choice or necessity to assume the burdens of a great military establishment, it can carry them only by conserving its financial strength to the utmost. Even then, the load of taxation is likely to strain the resources of the ordinary wage-earner to the breaking point if present living costs continue. The time has passed when prodigality and waste in Federal administration can be tolerated or condoned as an unavoidable or minor incident in American politics.

RAILROADS AND PEACE.

(By Frank Turnbull, president C. & O.)

"Railroad prospects after the war—which may mean during 1917 — doubtless will be affected by the cessation of hostilities. War freights of all kinds have contributed so heavily to the freight volume and earnings of the carriers in 1916, their withdrawal must lead to a consequent shrinkage.

"Reconstruction problems among the belligerents, however, will probably lead to further purchasing from us, particularly of those things which they cannot furnish immediately among themselves. While the volume of these commodities cannot, in the nature of things, equal that of the munitions and other war material shipped last year, it should be respectable and remunerative.

"More important, however, to railroads in 1917, than a tremendous tonnage is the question of efficient, reasonable regulation. If the railroads are to endure, if they are to serve the commerce and business demands of the country, the prevailing system of regulation by 48 States and one Federal authority must be improved.

"Thereunder, uncertainty, confusion, extravagance and outlay are ever to be expected, with no provision for conserving income, reassuring investors, or attracting the necessary capital for the growth of transportation facilities. Investment hesitancy for railroad stocks and impairment of railroad credit are the certain results of our policy of multiform railroad control.

"Before the Joint Committee of Congress, in November last, the railroads presented an outline of the reforms they believe necessary to make a healthy and serviceable thansportation system for this country—a system which would be more adequately responsive to the needs of business and able to yield to owners of railroad property, approximately, 6 per cent. without having to break world records in freight-carrying to accomplish so ordinary a result.

"Exclusive Federal control of interstate carriers is one of these exclusive reforms. An increase in the membership of the Interstate Commerce Commission and the establishment of regional sub-divisions of that body, in specific traffic areas, is a second. A reduction in the period for suspending proposed rate advances from ten months to 60 days is a third reform suggestion; and authority in the Commission to fix minimum rates is a fourth.

PERSONAL

MAJOR GORDON FRASER MORRISON, who has been made a companion of the Distinguished Service Order, was a broker in Toronto before going to the front, and resided at 40 Bedford Road. He received his commission through the Queen's Own Rifles, of which he was a member, and went overseas in May, 1915, with the 19th Battalion.

RICHARD BOLTON, who has just been elected vice-president of the Montreal City & Districts Savings Bank to fill the vacancy caused by the death of the Hon. Robert Mackay, is a well-known figure in Montreal financial circles, and has the reputation of being an extremely shrewd business man. He has been a director of the bank since 1901 and is in addition president of the Montreal Loan & Mortgage Co.

CAPTAIN HERBERT MOLSON, president of the Molson's Brewery, of Montreal, is another of the long list of Canadian business executives who has won especial honor at the front, having recently been awarded the Military Cross. Captain Molson is at present on staff duty in London, having recently returned there from Montreal, where he had been convalescing from wounds received at Hooge during the German assault there last June.

D. LORNE McGIBBON is credited, according to a story which has gained considerable credence amongst his friends in Montreal, with aspirations which, it is hinted, may eventually result in his receiving certain honors at the hands of the King as well as giving him a place in the Senate. The rumor that he is considering setting on its feet the almost defunct Montreal *Daily Mail* lends additional confirmation to this interesting story.

A. E. PONTBRIAND, of Sorel, P.Q., died at his residence there on New Year's Day at the age of 52, after a lingering illness which had incapacitated him since last September, and which took a fatal turn a month ago. Mr. Pontbriand was one of the leading citizens of his own town and was very well-known in Montreal and Quebec financial circles generally as a result of his large interests. He was president of the Sorel Light & Power Company; vice-president of the Credit Canadien; vice-president of the General Utilities Corporation, of Sorel; a director of the Prevoyant Insurance Company, and owner of the Waterworks Systems at Ste. Eustache and Varennes. No intimation has been received as to who his successor will be on the various boards with which he was connected.

THRIFT AND TAXES AND HIGH COST OF LIVING

Meeting the Country's Financial Problems by Taking From the People While the Wave of Prosperity Continues.

By W. J. Donald, Ph.D.

THE futility of the ordinary legislative efforts to reduce prices has now become so apparent that it is time for a complete reconsideration of the problem.

There are only two fundamental methods of reducing prices: first by curtailing consumption, and second by increasing production. In Canada production has been greatly increased in the last few years and the country is as we all know more prosperous than ever before though indeed somewhat at the expense of our European Allies and considerably at the expense of the families of those who have enlisted. We have greatly increased our output of agricultural products and our values of manufactures though it must be admitted that much of the increase in manufactures as well as foodstuffs is not for domestic use. Something can doubtless be done to make the marketing process in production more efficient and less expensive thus reducing prices but this can scarcely be done on short notice or in time to check the rising price level before the war is over.

The second method Canada has not yet seriously considered. Indeed we are probably consuming more goods than the country ever consumed before and this despite the fact that many Canadians are in Europe as soldiers and their dependents are in Great Britain as hangers-on, thus increasing the cost of living in that country. It is a well-known fact that trade has been very active and that it has been to a considerable exent the consumers' demand that has been the cause of high prices. It is a difficult matter to supply the demand for pianos and for gramophones so a daily paper reports. The analysis of our import figures for 1916 in this week's special of THE POST shows how extravagant Canada has become. It is a commonly acknowledged fact that the country is prosperous though people are not generally willing to admit that in spending the increased incomes they are unpatriotic or even extravagant.

This situation the Minister of Finance should deal with promptly. His thrift campaign should be pushed at once. Activity in that direction is long overdue. Some of the horses have been stolen but it is not too late to lock the barn door to save the others. We ought not to be increasing our standard of living at a time when many are making personal and business sacrifices to enlist. Our extravagance is an insult and an injustice to them and their dependents. The sooner there is a conscious effort to educate us to save, as soon as it can be made a social if not a legal misdemeanor to be extravagant the better it will be for ourselves and the better it will be for the country's future. Indeed this war may yet be won by means of the last dollar saved during the war and invested in war loans.

There is some doubt, however, whether a thrift campaign will be effective in time or sufficiently effective at any time. But if our Finance Minister cannot succeed in curtailing private expenditure through such an unusual method as thrift in Canada, if he does not thus succeed in getting funds for war loans, if he does not succeed at the same time and in the same way in keeping down the cost of living he should turn to an absolutely effective method; direct taxation. This, we believe to have been long overdue like the thirft campaign.

It must be perfectly clear that a direct tax on incomes, for instance, will provide the government with revenue, while the tax cannot be shifted to consumers. The essence of direct taxation is that it is not shifted to the consumer. It will not increase the cost of living, indeed, it will probably decrease it considerably by curtailing consumption. The government must get supplies to support our soldiers, but, if it has to buy those goods in competition with people who are extravagantly purchasing goods with war time profits and increased wages, prices of commodities generally and provisions in particular are likely to continue their upward movement. The solution of the high cost of living problem that lies closest at hand, the solution that will work, without any considerable administrative machinery, the solution that should have been put into effect at least a year ago before the people began to spend their war time earnings, that solution is direct taxation. A thrift campaign will merely help.

Not only will these methods of curtailing consumption deal directly with the high cost of living problem: they will also provide a more sound method of war finance than the Minister of Finance has yet seen his way to adopt. Future generations should not be required to pay for all of this war while those who remain at home to-day enjoy the expenditure of blood-money. No one ever had a greater opportunity to kill two birds with one stone than the Finance Minister has in 1917. Is his party too strong for him?

Heretofore Mr. White has refrained from invading the field of direct taxation upon which the provinces and municipalities must depend, and thus violating the principle of separation of sources of revenue for different governmental jurisdictions. It is not that the Federal Government has not the power to impose direct taxes, for it clearly has the power. Moreover the provinces have already violated the principle of separation of sources by imposing the mill taxes on land values and in other ways. It is a question too whether the Federal Government did not concede a point when it imposed the tax on war profits. The tax is on a legal person—corporations—and thus should not really be regarded as indirect. But this after all is quibbling. If the Minister of Finance does not wish to adopt direct taxation after the war he must pay an increasing percentage of the war cost out of war profits while the war is on. The Government is going to need a lot of money after the war to pay for pensions and interest and sinking fund on the war debt. At the same time the war profits tax will be useless and imports will decline and the customs duties with them. To my mind it seems that the Federal Government will inevitably resort to direct taxation after the war in any case. The only way of escaping it is by resorting to it now while the war is on. The Federal Government—not the municipalities and provinces—needs the revenue now. It ought to tax out of existence all war time profits and increases of income and whether one views this as an incident or a leading feature, at the same time curb consumption and restrain the tide of rising prices.

FOR CONTROL OF TRUST COMPANY

Lively Time Expected Between Supporters of Hutchings and Alexander at Great West Annual.

There are indications that the annual meeting of the Great West Permanent Loan Company, which will be held on the third Wednesday of February, at Winnipeg, will be a rather lively gathering. There is a fight on between E. F. Hutchings, a former director of the company, and the Alexanders, for control, and each of the contending interests is busy collecting proxies for the struggle.

A number of the shareholders of the Great West Permanent and its subsidiary corporations, the Canada National Fire Insurance Company, and the Imperial Canadian Trust Company, have been somewhat perplexed as to what attitude to take, in view of the conflicting claims made by the Alexanders and the Shareholders' Protective Association. Each has circularized the shareholders at length. The difficulty apepars to have had its origin in personal differences between President Alexander and Mr. Hutchings, which developed while the latter was a director of the company. In the circular issued by the present officers, it is charged that Mr. Hutchings was ambitious to be president, and was at the same time desirous of having two of his sons-in-law apointed to responsible positions with the company. It is charged that Mr. Hutchings even went so far as to demand the resignation of President Alexander and the appointment of himself to the position. Mr. Hutchings was quite willing to have Mr. Alexander continue to fill the position of managing director.

Mr. Alexander refused to entertain Mr. Hutchings' demands and as a consequence it is charged that Mr. Hutchings, within a very short time, withdrew his entire deposit, amounting at that time to half a million dollars, from the company.

Later a proposition was made by President Alexander that Mr. Hutchings and his friends should either buy out the Alexander interests or sell out. The decision as to which course should be adopted was left entirely to Mr. Hutchings, who finally decided to sell his holdings and retire from the directorate.

In the circular issued by the "Shareholders' Protective Association," the name of Mr. Hutchings does not appear. The document is signed by R. R. Scott, chairman of the Great West Permanent Loan Co. committee; H. Sandison, chairman of the Canada National Fire Insurance Co. committee, and Thos. Sharpe, chairman of the Imperial Canadian Trust Co. committee. The present management of the company, however, assume that Mr. Hutchings is the dominating spirit behind the insurgents, and profess to await the offensive with no misgivings.

The attack which is made by the "Shareholders' Protective Association" is more inferential and interrogatory than direct. Discharged employees are supposed to have supplied the material for the charges or questions.

The "Shareholders' Protective Association" question the wisdom of a number of large Western loans made by the company, and also criticize the expenditure of $50,000 for fitting the political offices in London and announce that a number of other questions will require to be answered. The fight will be a warm one as Mr. Hutchings is a man of great wealth and a powerful factor in the life of the West. He will, unquestionably be able to command an influential following.

In the meantime the company has been sending out checks for the half-yearly dividend of four per cent., or eight per cent. for the year, which they say should be a pretty satisfactory answer to the changes of the opposition.

It is pointed out by the present officers of the company that the Capital Loan Co., an institution controlled by Mr. Hutchings, purchased $25,000 stocks in the Great West Permanent just before the annual meeting last year, which they think should be pretty convincing evidence of Mr. Hutchings confidence in the company.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

ELECTRIC DEVELOPMENT.

P. H. S., Prince Albert.—Do you know of any developments of the Electrical Development Company of Ontario that would warrant the recent advance in the price of bonds or whether it would be wise to sell at the present price? Is there any change of the Hydro-Electric development injuring the Electrical Development Co.?

The upward movement in Electric Development Co. bonds in the course of the last four months has been due largely to the buying of American investors. In the United States, public utility securities are favorites and they yield as a rule about 5½ to 5¾ per cent. Canadian public utilities yield considerably more. The purchase of Canadian municipal, provincial and Dominion bonds has given the Americans an interest in our bonds and debentures, whereas heretofore they bought chiefly our stocks. Incidentally they have learned to consider our public utilities. Funds of American banks are particularly liquid at the present time, favoring investment in bonds of this kind. The first post-war effect on the security market will probably be the tendency to dispose of low grade securities and to purchase securities of the soundest character—bonds. Probably Electrical Development bonds come in this class, of sound investment.

The effect of the Hydro on the security depends on the length to which the Hydro policy may be carried in the violation of understandings and contracts with the private company. There are adverse chances, but it is difficult to valuate them.

BRAZILIAN COMMON.

J. H. C., Sackville, N.B.—Has Brazilian passed a dividend?

The matter of passing the dividend of which you speak, has not yet been considered, so far as THE POST could learn. A statement to this effect was erroneously made a short time ago, but was later corrected.

A GOOD INVESTMENT.

A. G. B., Toronto.—I have a small sum of money which I would like to invest in bonds or debentures. Would you kindly advise me of some good security?

The Minister of Finance has announced that debentures of small denomination running for three years are available for purchase either directly through the Department of Finance at Ottawa, or through the regular bond dealers. This is the kind of investment for the small investor to make. Moreover, the debentures are convertible into other war loans when the issues are regularly made, and it is easy to dispose of these securities through the bond houses. There will be no appreciation on these debentures on account of it being possible to buy others from the Government at any time, at least as long as the arrangement lasts. Neither will there be depreciation as long as they are convertible into war loans. Your plan to buy bonds is absolutely sound, but we believe that where security is the first consideration, the Government issue will prove more satisfactory.

NORTH PACIFIC FISHERIES.

J.A.G., Forfar, Scotland—I shall be pleased to see the Canadian North Pacific Fisheries Company's case reviewed from the very start to the sale, giving note of directors and saying whether they were interested in said company that purchased the assets.

The Canadian North Pacific Fisheries was incorporated in 1910 to consolidate and develop the whale fishing enterprises on the Pacific Coast of Canada. Of the authorized share capital of $4,000,000, $2,500,000 was issued and fully paid up. The company had a good year in 1911, but their first year's operations were discouraging. At the end of the year 1913, the company had a deficit of $58,899. The company was unable to meet its debenture interest in 1914, and in May 1915, ceased operations and endeavored to dispose of its assets by private sale. Offers were received and a sale was advertised. The only bidder at this public sale, which was advertised for several weeks, was the legal representative of the Canadian Consolidated Underwriters' Association, who were creditors of the company to the extent of $30,000 for insurance premiums. The property, which included the whaling vessels rendering plants, and other equipment, was knocked down to them for $176,000. It had probably cost over a million dollars. The bondholders received a portion of their money back, but the shareholders, who were almost entirely Old Country people did not get a cent back.

THE FINANCIAL POST is informed by Mr. William Schupp, of the Canadian Consolidated Underwriters' Association, who negotiated the deal that not one of the directors of the old company was interested in the company that bought in the assets at the public sale.

"We were stuck for $30,000," said Mr. Schupp, "and made the purchase to try and get our money back."

Conditions have favored the new company, and they have made money. The price of whale oil has been high, and they were able to sell a couple of their boats to good advantage. As an indication of the change conditions brought about by the war, Mr. Schupp stated that the company had refused an offer of $125,000 for one of their freight steamers, which they had tried to sell for $35,000, shortly after acquiring the business.

Had the old company been able to hang on for a couple of years, there is every reason to believe that their investment would have turned out all right.

The directors of the Canadian North Pacific Fisheries were Col. A. D. McRae, president; T. Blundell Brown, (London, Eng.) Col. A. D. Davidson, Capt. W. V. Grant,; D. B. Hanna, R. M. Howe Poyne and J. M. McWilliam.

The directors of the new company are William Schupp, George R. Donovan, W. A. Lawson, R. G. O. Thompson and A. J. Mitchell.

January Funds

Those having January funds for investment should give consideration to Canadian Government and Municipal Bonds.

The purchaser of these Securities is assured of the maximum of safety, and an exceedingly attractive income return from his investment. Our new List contains particulars of high-grade Bonds suitable for this purpose, at prices ranging from

5% to 6%

WRITE FOR A COPY.

Wood, Gundy & Company
C.P.R. Building
Montreal Toronto New York

THE TALBOT RANCH, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 13th day of December, 1916, incorporating Henry Talbot, Arthur William Talbot, Harry Talbot, Joshua Ingham and George Sparkhall, live stock commission merchants, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To carry on the business of ranching, to purchase and otherwise acquire, breed, raise, improve, sell and deal in live stock of every kind and live stock products, to carry on by wholesale or otherwise the business of producers, purchasers, shippers of and dealers in agricultural products, including prepared products, live stock and farm supplies; (b) To purchase, lease, take in exchange, hire or otherwise acquire any real or personal property or any rights or privileges which the company may think necessary or convenient for the purpose of its business or capable of being profitably dealt with in connection with any of its property or rights for the time being; (c) To apply for, purchase or otherwise acquire, any grants, licenses, leases, concessions and the like, which may seem calculated directly or indirectly to benefit the company or otherwise, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account, grants, licenses, leases, concessions and the like so required; (d) To purchase, lease or otherwise acquire and to hold, exercise and enjoy in its own name, all or any of the property, franchises, good-will, rights, powers and privileges held or enjoyed by any person or firm or any company or companies carrying on a business similar in whole or in part to that of the company and to pay for such property, franchises, good-will, rights, powers and privileges wholly or partly in shares of the company, wholly or partly paid-up and to undertake the liabilities of any such person, firm or company; (e) To enter into partnership or into any arrangement for sharing the profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of or otherwise assist any person or company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (f) To enter into any arrangement with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any rights, privileges, concessions or franchises which the company may think it desirable to obtain, and to carry out, exercise, comply with or surrender any such arrangements, rights, privileges, concessions and franchises; (g) To construct, improve, maintain, work or manage any roads, ways, buildings and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or conduct thereof; (h) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (i) To sell, let or hire or otherwise deal with or dispose of the undertaking and assets of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures, debenture stock or other securities of any other company; (j) To remunerate any person or corporation for services or assistance rendered to the company or in or about the incorporation or organization of the company in such a manner as the company may deem expedient, and more particularly with the approval of the shareholders, by the issue and allotment of shares, bonds or other securities of the company, wholly or partly paid up; (k) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, warrants and other negotiable or transferable instruments (l) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (m) To pay out of the funds of the company all expenses of or incidental to the formation, registration and advertising of the company or in or about the promotion of this company or the conduct of its business; (n) To carry on any other business capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (o) To do all other things incidental or conducive to the attainment of any one or more of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Talbot Ranch, Limited," with a capital stock of sixty thousand dollars, divided into 600 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 16th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

ATLANTIC COAST DEVELOPMENT COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 6th day of December, 1916, incorporating Richard Armstrong Nevitt and William Lunan, accountant, George Norman Limpricht and Harry Reeve Burrows, clerks, and Elsie Frederica Mayo, stenographers, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To purchase, lease or otherwise acquire coal fields and coal lands, ore bearing properties, mineral lands, mining locations, mining and surface rights, timber limits, wood lands, and timber lands, oil fields and privileges, natural gas lands and properties, water lots, water powers and privileges and other rights, privileges, easements and licenses; (b) To lay out, construct, purchase, lease or otherwise acquire, maintain, operate and manage: (1) Mines of coal, iron or other minerals whatsoever, oil wells and wells of natural gas or any products or by products of any of them, mining structures, plant mills, pipe lines, buildings, machinery and appliances of every description; (2) Power houses, structures, plant and equipment for the development, generation, transmission or utilization of water, steam, gas, electric or other powers and structures and plant for any form of heating and lighting; provided, however, that the sale, transmission or distribution of electric, pneumatic, hydraulic or other power or force beyond the lands of the company shall be subject to local and municipal regulations in that behalf; (3) Steamships and vessels, piers, docks, dry-docks, wharves, slips, basins and all incidental structures and appliances; (4) Bridges, roads, tramways on lands owned or controlled by the company, aerial carriers, trails and ways of every description, yards and tracks for the storage or handling of any of the company's products or for the delivery thereof to adjacent railways; and (5) Offices, stores, shops, grain elevators, hotels, boarding houses, dwellings, workmen's houses, restaurants and buildings of every description; (c) To purchase, sell and deal in any manufactures, products or by-products of the works hereinbefore specified, or any commodities, merchandise or manufactures which may be conveniently handled therewith, and are germane to the objects herein specified; (d) To purchase, acquire, sell and deal in any exclusive rights, patent rights, privileges or licenses in connection with the business of the company; (e) To guarantee any indebtedness, whether bonded or otherwise, of any company with which the company may have business relations and authorized to conduct any business within or similar to the powers of the company; (f) To issue and allot with the approval of the shareholders, as fully paid-up, shares of the company hereby incorporated in payment or part payment for any services rendered or for any property, movable or immovable, property rights, lease, business, franchise, undertaking, powers, privileges, licenses, concession, stock, bonds and debentures, or other assets or things which it may lawfully acquire by virtue of the powers hereby granted, or to pay for same or any part thereof in bonds, debentures or other securities of this company; (g) To acquire the stock, securities or undertaking of any other company having for one of its objects the exercise of any of the powers of the company, or to transfer its undertaking or assets to, or to amalgamate with any such company; (h) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, or to amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to engage in or carry on, and to lend money to and act as employer, agent or manager of any such person or company, and to carry on the business of and to guarantee the contracts of, or to otherwise assist any such person or company or any customers, and to guarantee the securities issued or to be issued either conditionally or upon any condition, the bonds, debentures or other securities of any such company, and to take, hold or otherwise acquire shares and securities of any such company, notwithstanding the provisions of section 44 of the said Act, and to sell, hold or re-issue, with or without guarantee, or otherwise deal with the same; (i) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, bonds, debentures or other securities belonging to the company, or which the company may have power to dispose of; (j) To acquire by purchase or otherwise hold, sell and deal in the business, assets, good-will and securities of any other company having for one of its objects the exercise of any of the powers of the company or carrying on any business capable of being conducted so as to benefit the company and to promote or assist in promoting any such other company or any subsidiary company, and to pay out of the funds of the company the costs and expenses of such promotion or assistance. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Atlantic Coast Development Company Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 11th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

A. E. AMES & CO.

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NEWS OF THE BOND MARKET

Features of the Week

THE year is not opening up with quite the rush of business that some bond dealers had hoped for. A few of larger houses with extensive organizations, report satisfactory business at good prices, but among the smaller houses particularly there is less activity than was expected. The reason for this slackness is really not far to seek. Overhanging the market is the felling that more war financing is imminent. The year 1917 will be one of huge demands on the investing public, which cannot be escaped, and the Government to get the money it needs will have to offer generous inducements. The net result will be a tendency for people to reserve funds for future war loans and to pass by such municipal bonds as may be offered, unless these bonds are offered at lower prices than at present prevail. Of course such views are subject to modification. There have been and are many anomalies in the market and it is not impossible that these anomalies may continue. In spite of all the war loans that may be offered, there will still be a certain amount of money for investment in municipals, and in this connection it should not be overlooked that the number of new municipal issues in 1917 will be smaller than ever.

MARKET FOR MUNICIPALS GROWS QUIET

Upheaval in Stock Market Last Month Stopped Investment Plans.

OUTLOOK IS MORE UNCERTAIN

Montreal Bond Dealers Reported to be Holding Off from Loading Up With General Run of Municipals Until Situation Clears.

The market for municipal bonds in Montreal and the Montreal district is reported to have become noticeably quiet since the upheaval in the stock markets last month. Bond dealers state that many of their customers who had, as they thought, profited by their stock market operations, were planning to withdraw from that field of operations for the more conservative one of bond investments, when the sudden turn in the market upset their calculations and prevented them from doing so. The expected business with these people, therefore, did not materialize and there was nothing to relieve the dullness of the bond market.

That a broad movement in the direction of bond investments was under way, was indicated by the large number of orders tentatively placed on this basis before the holidays and which have since failed to come to light. This condition is doubtless more true of Montreal than of Toronto, owing to the fact that the public in the former city lean rather to stock than to bond transactions, whilst the reverse is true of Toronto. In Montreal the opinion is general that a quiet January will be experienced and that little activity may be expected until April.

Until the developments referred to occurred, some improvement in sentiment had been hoped for, but the feeling is now one of uncertainty. Along with a lack of interest on the part of the public there is a corresponding timidity on the part of dealers, which makes them chary of loading up with a class of municipals that under ordinary circumstances would be considered quite attractive. There is a growing belief that a recession of several points may not be impossible and for that reason some houses are avoiding the municipal issues until the situation clears, which fact partly accounts for the small number of offerings being made.

A fear of increased taxation is scaring off investors from industrial bonds to a certain extent. It will be recalled that in England, company profits which at first were taxed on a 20 per cent. basis, then 40 per cent. and finally 60 per cent., are now on a basis whereby all profits over a figure corresponding to the three year average immediately preceding the war go to the Government. A partial duplication of this plan in this country is anticipated by some people, who do not fancy investment in industrial securities in consequence.

OXFORD ELECTRIC.

Halifax Firm Make Offering in Connection With Public Utility Co.

An offering of $50,000 six per cent. first mortgage gold bonds of the Oxford Electric Light and Power Company is being made at present by J. C. Mackintosh & Co., Halifax. The bonds are dated December 1, 1916, and are redeemable at par, or callable at 105 and interest.

The Oxford Electric Light & Power Company is a consolidation of two properties, a Hydro Electric Development and the Oxford Electric Company. The former develops a hydro-electric power on the River Philip about two miles from Oxford and the latter distributes the power in the town of Oxford. The hydro electric plant is in good condition and a steam auxiliary plant of 150 h.p. is being installed. This, with the hydro power, will enable the company at all times to furnish about 400 h.p., which is more than double the amount now in use.

The new company possesses an exclusive franchise, under Act of the Legislature, for the supply of light and power in the town of Oxford and vicinity. Oxford is reported to be an industrial centre, containing woolen mills, furniture factory, foundry, flour mills, woodworking company and other minor concerns.

The directors of the company are T. Sherman Rogers, Halifax; Charles C. O'Neil, Oxford; G. McG. Mitchell, Halifax; A. F. Mackintosh, Halifax. The capital consists of $100,000 stock of which half has been issued, and $10,000, 6 per cent. bonds, of which a like amount is now being issued. These bonds are being offered at 98 and interest, with 30 per cent. stock bonus.

DECEMBER BORROWING.

Smallest Month in the Year in the Amount of Money Raised.

With a total of borrowings on the part of municipalities and rural telephone companies running under one million dollars, December proved to be the smallest month in the year for the sale of municipal bonds. In all previous months of 1916 the million dollar mark was exceeded, while in November the total ran over twelve million dollars.

There were no special features to mark December business. The Halifax issue, aggregating $265,000, was the largest placed on the market. A good total of rural telephone issues was reported as sold, while the number of western schools was still substantial. There was a marked falling off in the number of eastern municipals sold and indications are that the same feature will characterize January business.

The following list contains a record of all the December transactions that have been brought to the attention of the FINANCIAL POST:—

Alberta.—Miscellaneous school districts, $36,400; Redcliffe, $15,000; total, $51,400.

Manitoba.—Riga, S.D., $1,300.

Nova Scotia.—Halifax, $265,000.

Ontario.—New Hamburg, $14,000; Mount Forest, $9,000; Preston, $62,705; Campbellford, $30,000; Bowmanville, $4,420; Hastings County, $30,000; Peterboro, $5,000; Renfrew, $22,500; Tara, $7,500; Brant Township, $2,000; Oakville, $16,300; Dover Township, $15,000; total, $218,425.

Quebec.—St. Hyacinthe, $85,000; Aylmer, $45,000; Greenfield Park, $25,000; total $155,000.

Saskatchewan. — Tribune, $2,900; Assiniboia, $17,000 and $68,000; Bruno, $1,800; school districts, $13,800; Rural Telephone Companies, $129,400; total, $232,900.

Provinces.—Ontario, $2,000,000; Saskatchewan, $500,000.

Recapitulation.

General Municipa.	$ 743,125
School Districts	51,500
Rural Telephone Co's	129,400
Provinces	2,500,000
Total borrowing for Dec.	$3,424,025

RECENT BOND SALES.

Transactions Continue in Very Limited Numbers and Amounts.

Bond dealers have a dearth of purchases to report these days. A round of the bond houses fails to unearth more than two or three small transactions. The word is, however, wait a week or so until the 1917 councils get going and then there will be more activity.

A sale of $1,500 local improvement debentures was made last month by the town of St. Mary's, the deal being put through locally.

The $2,000, 7 per cent., 10-instalment issue of Nose Hill Consolidated School District, Alta., disposition, of which was not noted last week, was placed with the Alberta School Supply Co.

H. O'Hara & Co. have purchased this week a $7,000 issue of Goldeye Rural Telephone Company, the bonds being 7 per cent., 15-instalment; and an issue of $1,800, 6 per cent., 10-instalment bonds of Tangleflags, S. D. Sask.

The last report for 1916 of the Local Government Board, Saskatchewan, contains record of a sale by the town of Assiniboia of an issue of $68,000 to the Bond & Debenture Corporation, Winnipeg.

THE U. S. MARKET.

Review of the Situation Across the Line for the Year Just Closed.

The outstanding features of the municipal bond market in the United States for 1916 are thus summarized by the editor of the *Daily Bond Buyer*, New York:

1. The supply of bonds was less than normal, the new issues amounting to approximately $485,000,000, as against $492,500,000 in 1915. This reduction in public debt-making reflects a new and conservative attitude with regard to the expenditure of public money an the part of taxpayers and governing bodies.

2. The popularity of the municipal bond was further increased last year by the raising of the income tax rate, municipals being exempt from all trouble or taxation on account of this Federal law.

3. The expansion of the Postal Savings System, due to amendments made in the law, aided municipals by creating a market for about $50,000,000 worth of State and municipal bonds to be used as collateral security for deposits in postal savings banks.

4. The remarkable prosperity of the country, unsurpassed in the history of the United States, has resulted in the biggest investment demand we have known in years. Municipals, besides being the first bonds to feel the improvement in conditions, experienced the keenest demand because of their relative scarcity. Our investors, while asked to purchase less than a half a billion dollars worth of domestic State and city bonds, have actually loaned billions to foreign borrowers, in addition to taking care of domestic corporation financing. Naturally enough, the few municipals available, many of which are legal investments for trustees, savings banks, insurance companies, etc., advanced sharply in market value during the twelve months' period.

The outlook for municipal bonds is especially bright. There is no indication that the output of new issues will increase materially; in fact, cities and towns are becoming more and more careful in their borrowing operations. The investment market for 1917 should reflect the prosperity of the year now closing, and it is reasonable to expect a gradual conversion of stock market profits into the highest grade bonds now that the end of the European War is being predicted and peace seems to be almost in sight. A most important factor that will largely determine the future of the municipal bond market is the Federal income tax. Present indications predict a further increase in the rate of the tax and a lower exemption limit in order to meet the enormous expenses to which the Government is committed for military and naval purposes.

The following figures, compiled from the records of the *Daily Bond Buyer*, of New York, show the extent of State and municipal financing during the last ten years:

	Permanent Loans.
1916	$485,000,000*
1915	492,590,441
1914	446,405,500
1913	408,477,702
1912	339,046,083
1911	452,113,716
1910	324,360,955
1909	363,630,786
1908	355,384,466
1907	301,048,503

*December estimated.

GREENFIELD PARK.

Issue Was Purchased by Montreal Bond Dealer.

The $25,000 issue of Greenfield Park 30-year, 6 per cent. bonds for the purpose of erecting an electric light plant, was purchased by Rene T. LeClerc, of Montreal. The town lies on the south shore of the St. Lawrence, beyond St. Lambert and in conjunction with Montreal South and Longueuil, has often been mentioned for consolidation into one large south shore town, which would ultimately be absorbed by the city of Montreal. So far, a consolidation of the Boards of Trade is all that has been effected and the general opinion is decidedly pessimistic in this respect. The Grand Trunk shops and storage yards have made the town a residential centre for trainmen.

R.C.Matthews & Co.

Government and Municipal Bonds

C.P.R. BUILDING
TORONTO

SINKING FUNDS.

Supervision Exercised by Local Govern Board Over Investments.

In the Province of Saskatchewan no part of the moneys at the credit of a sinking fund may be invested in any securities, whether by a municipal council itself or by sinking fund trustees, without the previous approval of the Local Government Board. This point is brought out clearly in a recent statement issued by the board.

It is the practice of the board to have all such applications submitted to it in detail. Where an investment is to be made in debentures the board insists upon obtaining full information concerning such debentures and the price at which the same are to be purchased, in order that the yield to the sinking fund may be ascertained. Care is also taken in selecting securities which have maturity dates suitable to each particular sinking fund. If payments are to be made out of the fund within a comparatively short period, then short term securities are required; if no such demand will be made upon the fund for a considerable length of time, then longer term securities may be purchased; the object being that purchases of securities for the sinking fund should be made with a view to permanent rather than temporary investments, in order that money and not merely securities may be at the disposal of municipal officials when such is required; otherwise those in charge of sinking funds may be forced upon the market at inopportune times with securities upon the sale of which loss may be sustained.

In Saskatchewan the sinking fund may be invested in any stock debentures or securities of the Government of Canada; any debentures or securities the payment of which is guaranteed by the Government of Canada, or of any province of Canada; the debentures of any municipality; school debentures, or in debentures issued under the Rural Telephone Act; in local improvement or other debentures of the municipality concerned; or in first mortgage of freehold real estate to an amount not exceeding one-third of the sworn cash valuation of an independent appraiser.

The board has suggested to those administering the various sinking funds that the investments should not be restricted to one class of the above securities only, but should be in various clasess, not centered in one locality, but spread over a considerable area.

Since the Legislature required that the approval of the Local Government Board be obtained to the investment of sinking funds, investments have been made only in debentures and Dominion war loan bonds. Several applications have been received for investment in mortgages where the property to be taken as security was situated within the area of the municipality applying. In such cases the approval of the board was refused, partly on account of the fact that the board does not look with favor on the investment by municipalities in mortgage securities within the limits of the municipality itself. It has been found that when this is allowed, and the time has arrived when mortgage companies would institute foreclosure proceedings to protect the security, local pressure is brought upon councils in favor of the mortgagee, and proceedings are frequently withheld to the doctriment of the investment; when the property is beyond the area of the municipality this difficulty does not arise.

The Mercantile Trust Company, of Hamilton, took up quarters in the company's new building with the opening of the New Year.

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WE own and offer a limited amount of Bonds issued by different Catholic School Municipalities which have been annexed to the Montreal Catholic School Commission, during the last Session of Parliament.

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They are in turn virtually Bonds of the City of Montreal. The City is, by law, responsible for the maintenance and needs of the schools, levies and collects taxes, provides for the payment of interest on the bonds and administrates the sinking fund for their redemption at maturity.

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FIELD OF MUNICIPAL FINANCE

BORROWINGS OF SASKATCHEWAN MUNICIPALITIES

Local Government Board Reports Decrease For Ten Months.

TELEPHONE CO.'S GET MORE

Cities, Towns, Villages, and Rural Municipalities All Reduce Their Applications for Money.

An interesting report on its work for the year is published by the Local Government Board of Saskatchewan in the last number of the Public Service Monthly. As investments in the securities of western school districts and rural telephone companies are widespread, and the popularity of these issues by reason of their higher yield, is increasing, it may prove desirable to reproduce what the Local Government Board has to say in connection with the issue and sale of these bonds.

During the year now nearing its close, states the report, conditions attending the financing of municipalities for capital expenditure have, notwithstanding the war, been comparatively favorable, and money has been obtained at rates generally much lower than those prevailing in 1914 and 1915. This being so, it might be assumed that municipal debenture borrowings would show an increase, but except in the case of rural telephone companies, this has not been the case. On the contrary, applications to the Local Government Board for authorization of debenture loans have been made only when absolutely necessary, and local authorities throughout the province are to be congratulated on the wisdom of their officials in that they have with some few exceptions recognized the necessity of careful conservation of municipal credit, thus rendering valuable assitance in preparing for the economic readjustment which will be one of the most serious and difficult among the many post bellum problems to be grappled with.

A comparison of debenture borrowings for the first ten months of the year, with those during the same period of 1915, may be of interest, and is given below:—

	1915			1916		
	No. of applications	Applications amount	Authorization amount	No. of applications	Applications amount	Authorizations amount
Cities	18	$398,597.00	$396,997.00	10	$187,593.70	$150,376.74
Towns	36	319,194.14	307,772.44	32	135,065.00	102,500.00
Villages	97	110,608.00	78,600.00	63	88,535.00	63,150.00
Rural mun'lties	19	112,500.00	58,000.00	6	35,000.00	11,000.00
School districts (Separate)	1	3,750.00	2,750.00	1	800.00	700.00
School districts (Public)	343	691,675.00	613,128.00	270	568,194.00	519,860.00
Rural Telephone Companies	227	1,148,200.00	1,110,400.00	303	2,225,100.00	2,002,125.00
Total	741	$2,784,524.14	$2,568,644.44	685	$3,240,287.70	$2,849,711.74

Note.—Increase in rural telephone authorizations $991,725.00
Decrease in all other classes $600,057.70

The foregoing statement shows a substantial increase in the number of applications received from and granted to rural telephone companies, though in this connection the board, in view of conditions has been exceptionally particular in scrutinizing each application. Among other conditions it has demanded evidence of the willingness and ability of ratepayers in the respective municipalities affected to pay taxes, emphasizing the principle that the practice of allowing taxes to run behind would only be much more in evidence with such taxes increased by the amount of the levy for telephone purposes. It is believed that the board's strict adherence to this policy has resulted in the payment of large sums in taxes, which would otherwise have remained in arrears, and has materially assisted in demonstrating that the prompt payment of taxes is an essential factor in the successful administration of the municipality. It is a matter for congratulation that a large proportion of Saskatchewan local authorities have recognized this and ordered their affairs accordingly. On the other hand, the board's action in regulating borrowing in conformity with prevailing economic conditions has not in every case met with the absolute approval of the local authorities concerned, and an inclination has been observed in some quarters to regard the board's efforts in the direction of municipal economy as irksome, but it is a source of gratification that even these have in most cases subsequently altered their views and now see the wisdom of the policy.

The officials of many school districts and rural telephone companies realizing the limited means at their disposal for successfully marketing their debentures have latterly adopted the practice of entrusting their sale to the Local Government Board. In this connection the board has held a sale, generally every two weeks, at which tenders are received, and the securities as a rule sold to the highest bidder. By this means all the advantages of competition are made available with the result that the highest market prices are realized.

Since the inauguration of this practice the board has held 30 sales, comprising:—

134 School districts aggregating..	$167,700
23 Rural telephones aggregating	104,500
2 Villages aggregating	7,500
2 Towns aggregating	6,000
1 Rural municipality aggregat..	5,000
162	$290,700

In all cases the highest market price was realized.

MONEY BY-LAWS.

Ratepayers of Ontario Municipalities Put on the Brakes.

Partial results of the voting on money by-laws by Ontario municipalities on Monday indicate that ratepayers are exercising caution in undertaking new expenditures. While the majority of the by-laws submitted, carried, there were enough defeated to make it apparent that the people are not inclined to shoulder any fresh obligations, except those of direct benefit. Thus it may be noted that Hamilton voters turned down the biggest money by-law placed before them, that calling for an expenditure of $362,500 for waterworks extensions; London defeated a by-law guaranteeing the bonds of the London Industrial Association to the extent of $100,000; Listowel decided that it could do without an $18,000 pavement on its main street; North Bay voted against expenditures aggregating $26,000 for new bridges and a market site; Mimico rejected a proposal to spend $40,000 for a park.

On the other hand, the by-laws that did carry were for the most part of a necessary character. Hamilton supported a grant to a sanitarium; Ottawa voted in favor of a $50,000 garbage collection system; Chatham passed a by-law making a $60,000 grant to the Canadian Patriotic Fund; Cochrane voted $40,000 to make good losses sustained in the fire of last July.

The result of the voting on the hydro-radial by-laws was generally in favor of the two undertakings. Hamilton, Saltfleet township and Nelson township defeated the by-laws submitted in connection with the radial from Port Credit to St. Catharines, but all the other municipalities concerned passed favorably on the measure. The second radial project, from Welland to Bridgeburg, was carried in all the municipalities in which it was submitted.

By-laws taking the opinion of the people on the municipalization of the Chippewa Creek power project were submitted in many places throughout the southern part of Ontario and carried everywhere with the exception of Goderich.

DISTRICT OF N. VANCOUVER.

Finances Reported to be in Remarkably Satisfactory Condition.

So many of the smaller municipalities in British Columbia have had so much unpleasantness in their financing during the past two or three years, that the report of the District of North Vancouver (not the city of North Vancouver) makes pleasant reading. Last January the councillors decided on expenditures of $143,000 for the year. The expenditures to Nov. 30 were $136,000. The district has not found it necessary to borrow from the bank, has not had occasion to pledge arrears of, or current taxes, has provided sinking fund and interest on debenture debt, and at the end of this year the clerk expects to have a bank balance of $40,000. Of current taxes some 43 per cent. has been collected, as well as 30 per cent. of arrears for the years 1912-1915. In the district's general revenue account, a balance of $250,000 remains unexpended. In 1915, the property and land assessment figure together was $12,927,399; in 1916, $11,599,943, and for 1917 the figure will be about ten per cent. less than that of last year. The fact that industries are locating in the district will undoubtedly cause an increase in the tax on improvements this year.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Jan. 9, Local Government Board, Regina.—$5,300 school district debentures, consisting of Harrisland, $1,600; Buffalo Hump, $1,500; Sturgeon Valley, $1,600; Bladworth, $600. The first three of these are 7 per cent., 10 instalments, and the last 7 per cent., 4 instalments.

Leamington.—$9,175, 6 per cent., 10-instalment debentures of the Town of Leamington. No date set for considering offers.

BY-LAWS TO BE VOTED ON.

Vancouver.—The city council will submit to the ratepayers on Jan. 11, a proposal that the corporation borrow $5,000,000 in the next five years at the rate of $1,000,000 a year.

BY-LAWS PASSED OR DEFEATED.

Windsor.—$40,000 for patriotic purposes, passed by the council, Dec. 29.

Markham.—$6,000 to extend waterworks sytem of the village carried unanimously at municipal elections, Jan. 1.

Hamilton.—$25,000 to fill in Sherman Inlet, carried; $50,000 to aid the Hamilton Health Association in the completion of and extensions to the Public Hospitals in connection with the Sanitarium, carried; $61,000 for storm sewers, defeated; $362,500 for water works improvements, defeated. Vote taken Jan. 1.

Ottawa.—$50,000 for a municipal garbage collection system and $75,000 for the construction of two public bathing houses, carried Jan. 1.

London.—$100,000 guarantee of the bonds of the London Industrial Association, defeated, Jan. 1.

Chatham.—$60,000 for the Canadian Patriotic Fund, carried; $45,000 for extension of the hydro system, carried; $8,500 for purchase of fire truck, defeated, Jan. 1.

Harriston.—$8,500 to pay for the completion of erection of municipal hall, carried Jan. 1.

Listowel.—$18,000 for the construction of reinforced concrete pavement, defeated Jan. 1.

North Bay.—$11,000 for the construction of four bridges, and $15,000 for a new market site, defeated, Jan. 1.

Oshawa.—$6,000 for the purchase of land for industrial sites, carried, Jan. 1.

Bridgeburg.—$8,500 to pay the corporation's share of cost of pavement on Niagara street, carried, Jan. 1.

Durham.—$1,000 to pay for balance of cost of new high school, carried.

Owen Sound.—$20,000 loan to the Keenan Woodenware Manufacturing Co., carried, Jan. 1.

Mimico.—$40,000 to acquire land and lay out a public park, defeated, Jan. 1.

Cochrane.—$40,000 to replace property destroyed and make good losses sustained through fire in July, 1916, carried, Jan. 1.

Almonte.—$15,000 for street and town property improvement, carried, Jan. 1.

SASKATCHEWAN.

The following is a list of debenture applications granted by the Local Government Board from Dec. 26th to 29:

School District.—Sunny Brook, $1,200.

Rural Telephone Companies.—Meyronne South, $25,500.

REPORTED AS SOLD DEC. 26th TO 29th.

School Districts.—Cut Knife, $3,000, Nay & James, Regina.

Rural Telephone Companies. — Eagle Creek, $1,200, City of Winnipeg Sinking Fund Trustees; Borden, $4,000, T. R. Billett & Co., Winnipeg.

Towns.—Assiniboia. $68,000, Bond & Debenture Corporation, Winnipeg.

Villages.—Bruno, $1,800, P. A. Schwinger, Bruno.

BOND SALES.

$11,500 Asbestos at 72; $1,300 Canada Bread at 93; $5,500 Can. Cement at 97½; $2,000 Can. Consol. Rubber at 97; $5,200 Can. Cottons at 83 to 82⅞; $1,400 Canada Steamships at 78; $4,600 C.P.R. Notes at 102; $600 Cedar Rapids at 92; $7,000 Dominion Iron at 87; $2,250 Dom. Textile, Series A, at 97; $9,000 Laurentide at 101; $1,000 Montreal Power at 96; $3,100 Montreal Trams. Debs. at 75½ to 75; $5,000 Quebec Ry. at 71; $1,000 Sherwin-Williams at 99; $4,900 Wayagamack at 87½ to 86½; $59,700 War Loan at 98½ to 98; $234,000 New War Loan at 98½ to 98.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date.	Place, Purpose and Purchaser	Rate	Term	Amount	Price	Basis
Dec. 26.	—Greenfield Park, P.Q., LeClerc...	6%	30-yr.	$25,000	.....	.....
" 29.	—Assiniboia, Sask., Bond & Deb. Corp.	...	.....	68,000	.....	.....
" 29.	—Bruno, Sask., locally	...	.....	1,800	.....	.....
" 29.	—Saskatchewan Schools, Nay & James	7%	10-ins.	3,000	.....	.....
" 29.	—Saskatchewan Phones, various ..	7%	15-ins.	5,200	.....	.....
	Total			$103,000		

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - - -	$ 25,000,000
Capital Paid Up - -	12,900,000
Reserve and Undivided Profits,	14,300,000
Total Assets - - - -	270,000,000

HEAD OFFICE, MONTREAL.
360 Branches in Canada and Newfoundland.
Thirty-three Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela
BRITISH WEST INDIES
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain and San Fernando; BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

Montreal Trust Company
INCORPORATED 1889.
CAPITAL: Paid-up, $1,000,000.00 Rest, $750,000.00
DIRECTORS:
Sir Herbert S. Holt, President.
A. J. Brown, K.C., Vice-President.
Sir W. M. Aitken, Bart., M.P.
J. E. Aldred
Geo. Caverhill
C. A. Crosbie
Hon. N. Curry
Hon. R. Dandurand
G. H. Duggan
Hon. W. J. Hanna
F. P. Jones
Wm. Molson Macpherson
C. E. Neill
Hugh Paton
E. L. Pease
James Redmond
F. W. Ross
Hon. W. B. Ross
A. Haig Sims
Stuart Strathy
V. J. Hughes - - General Manager.
142 NOTRE DAME STREET WEST

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL,
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.
BOARD OF DIRECTORS:
Sir Vincent Meredith, Bart., President.
Sir H. Montagu Allan, C.V.O., Vice-President.
R. B. Angus
A. Baumgarten
A. D. Braithwaite
E. J. Chamberlin
H. R. Drummond
C. B. Gordon
Hon. Sir Lomer Gouin, K.C.M.G.
E. B. Greenshields
C. R. Hosmer
Sir William Macdonald
Hon. R. Mackay
Capt. Herbert Molson
Lord Shaughnessy, K.C.V.O.
Sir Frederick Williams-Taylor, LL.D.
A. E. Holt, Manager.
TORONTO BRANCH, BANK OF MONTREAL BUILDING, YONGE & QUEEN STREETS.
BRUCE L. SMITH - - - - Manager.

THE STANDARD TRUSTS COMPANY
Head Office - - - - - - 346 Main Street, WINNIPEG.
J. T. GORDON, Esq., President
(President, Gordon, Ironsides & Fares Co., Ltd.)
W. E. LUGSDIN, Secretary-Treasurer.
WILLIAM HARVEY, B.L., Vice-President and Managing Director

Authorized Capital	$ 1,000,000.00
Subscribed and Fully Paid	750,000.00
Reserve	455,000.00
Total Assets	15,250,000.00

Acts as Trustee, Executor, Administrator, Guardian, Agent, Etc.
Insure your Estate against mismanagement and loss by making your Will appointing this Company your Executor and Trustee. Will forms supplied free. All business of a trust nature transacted.

The impartiality of the acts of a TRUST COMPANY and its freedom from improper influences are some of the advantages offered by
THE MANAGEMENT OF ESTATES
We will gladly discuss this matter with you.
CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
PAID-UP CAPITAL AND RESERVE 860,225.00
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

THE UNION TRUST CO., Limited
HENRY F. GOODERHAM, President
Hon. E. G. Stevenson—Vice-Presidents—H. S. Strathy.
J. M. McWhinney, Gen. Mgr.
Chartered Executor, Administrator, Trustee, Etc.
Capital Paid-up, $1,000,000. Reserve, $950,000.
Winnipeg, Man. TORONTO London, Eng.

Protection Doubly Sure
YOU PROTECT YOUR FAMILY FROM POSSIBLE WANT BY LIFE INSURANCE.
BUT DO YOU REALIZE THAT IF YOU DO NOT MAKE A WILL YOUR ESTATE MAY BE DISPOSED OF BY LAW VERY DIFFERENTLY FROM THE WAY YOU WOULD WISH.
YOU CAN BE ASSURED THAT YOUR HEIRS WILL RECEIVE FULL PROTECTION IF YOU WILL PERMIT THE STERLING TRUST CORPORATION TO ADVISE YOU ON THIS IMPORTANT MATTER.
We make no charge for assisting in drawing up your will—and will store it in our Safety Deposit Vaults free, when we are named as executors.
An officer of the company will be pleased to give you full information and advise on wills.
The Sterling Trusts Corporation
President W. S. Dinnick
Managing Director Herbert Waddington,
80 KING ST. EAST Telephone Main 2717 TORONTO

AN ESTATE FREE OF DEBT

Many investors purchase real estate by means of instalments, payable monthly or yearly, thus making ownership possible in time.

In the event of death before the payments are completed, however, the estate is bequeathed, encumbered with debt, and the heirs may not be able to continue the payments.

And it might easily result that the whole of the investment would be lost to the beneficiaries.

Life insurance also constitutes an estate payable by instalments, but death ends the obligation to make payments, and the estate is handed down intact.

Every man who has dependent relatives or friends should have a substantial portion of his investments in the form of life insurance, since the payment of the first premium creates for them an estate free of debt.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, $1,820,752.82

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

Prosperous and Progressive

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances, totalling over $265,000,000—much the largest amount carried by any Canadian life company.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Total Benefits Paid 42 Million Dollars

FRED J. DARCH, S.S., E. G. STEVENSON, S.C.CR., Temple Building, TORONTO.

THE
LONDON MUTUAL FIRE Est. 1859
INSURANCE COMPANY
ASSETS - - - - - - - - $784,426.31
SURPLUS TO POLICYHOLDERS - - - - $404,046.07
DIRECTORS:
A. H. C. CARSON, Toronto, President
R. HOME SMITH, Toronto, Vice-President
F. D. WILLIAMS, Managing Director
A. C. McMASTER, K.C. W. T. KERNAHAN S. G. M. NESBITT
H. N. COWAN G. H. WILLIAMS
HEAD OFFICE, - 33 SCOTT ST. - TORONTO

Investors' Information Bureau

Any subscriber to The Post may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail.

This service is free to subscribers, but inquirers should enclose stamp for reply.

UNION IS STRENGTH

THE CREDIT MEN'S JOURNAL
A NATIONAL PUBLICATION

Devoted to the interest of Credit Men

It reviews the latest Legal Decisions. It contains the latest Amendments passed by the Legislatures of the Provinces and the Dominion, which every credit man should know.

CREDIT MEN'S JOURNAL, 605 Ashdown Block, Winnipeg

Enclosed please find one dollar, for which please send every month, post paid, for one year, copy of Credit Men's Journal.

Name ....
Address ....

INVESTORS' INSURANCE NOTES

OVER MILLION PAID ON LIVES OF SOLDIERS

City of Toronto Secures This Amount for Men Killed.

METROPOLITAN LIFE'S SHARE

Report Issued on Soldiers' Insurance Business up to the End of the Year Contains Interesting Features.

Total insurance claims paid by life insurance companies and the City of Toronto up to the end of the year on Toronto soldiers killed at the front amount to $1,038,000. Of this amount the city has paid $432,000. On the life of each soldier $1,000 is paid to dependents on proof of death.

The number of men who have been insured from the beginning of the war up to the present day is 43,709. Of this number the city itself has insured 33,709. The premiums paid by the city to the various insurance companies up to date is $740,449.44.

The total number of insured is divided as follows:

Metropolitan Life Insurance Co.	8,638
Aetna Life Insurance Co.	1,100
State Life Insurance Co.	262
City of Toronto	33,709
Total	43,709

Claims Paid.

Claims paid are as follows:

Metropolitan Life Insurance Co.	555
Aetna Life Insurance Co.	49
State Life Insurance Co.	2
City of Toronto	432
Total	1,038

Premiums have been paid as follows:

Metropolitan Life Insurance Co.	$610,884.74
Aetna Life Insurance Co.	91,108.38
State Life Insurance Co.	38,506.32
Total	$740,499.44

Payments Increasing.

Statement of monthly payments for the past six months:

July	$1,945.00
August	3,340.00
September	7,220.00
October	9,120.00
November	11,980.00
December	13,805.00

SUN LIFE.

Record Year Closed According to Preliminary Figures.

Preliminary figures of the Sun Life Assurance Company for the year just closed, and which were published during the week, indicate the breaking of all previous records for the amount of business closed. The total for the year is $48,000,000, which is a gain of $6,800,000 over 1915, which was likewise a record year up to that time. Of this total, $20,100,000 was closed in Canada, an increase of $500,000 over the high record of 1915.

NEW YEAR CHANGES.

Promotions in Manufacturers' Life Are Announced.

J. B. McKechnie, general manager of the Manufacturers' Life Insurance Company, announces that the directors have made the following official appointments: L. A. Winter to be treasurer; A. J. Prest to be secretary; and E. S. Macfarlane to be assistant secretary. All three have been for many years in the services of the company, the new treasurer for twenty-four years, the secretary fifteen years, and the assistant secretary thirteen years.

TO MAKE INQUIRY.

Car Barn Fire in Toronto to be Probed by Fire Marshal.

Fire Marshal E. P. Heaton has decided to make a preliminary investigation into the car barns fire, and he will determine whether a fire investigation is necessary. If he decides to hold one it will be started right away.

Forty-eight different insurance companies are interested in the insurance for a total of something like $5,585,000 insurance on the whole system, of which $3,000,000 is on rolling stock.

The companies carrying insurance of $250,000 or over, are—British-American, London and Lancashire, National of Hartford, Northern, Royal Exchange, Scottish Union and National and Western.

The companies carrying the rest of the insurance are—Aetna, Continental, Fidelity, Phoenix, Hartford, Home, Liverpool, London and Globe, N. Y. Underwriters, Norwich Union, Royal and Springfield and Union.

HUGE INSURANCE CONTRACT.

Union Pacific Railway Co. Covers Lives of 40,000 Employees.

The insurance which the Union Pacific Railway system recently announced that it had placed on the lives of its employees covers 40,000 persons and amounts to $30,000,000. This was announced by the Equitable Life Assurance Society, which wrote the contract, effective January 1. The contract, written under the so-called "group plan," provides insurance equivalent to one year's salary not to exceed $2,500 on each employee who has been in the service of the company one year. The employees are not obliged to undergo medical examination and the Union Pacific pays the cost of the insurance.

RUSSIAN INSURANCE.

An Important Step in Reinsurance is Taken in Petrograd.

In the near future a new reinsurance bureau will begin operations in Petrograd, according to *The Financier.* The purpose of the bureau is to strengthen the connection of the Russian insurance companies with those of the Allied powers, and particularly England. Previous to the war the initiative in the establishment of reinsurance bureau connecting Russian business with the world market proceeded from German insurance operators, who naturally endeavored to tie the Russian insurance market first of all to the German. The gentleman who is at the head of the bureau worked in the Russian insurance business for 25 years, and is a person enjoying the full confidence of the Russian insurance world. This bureau is the first founded in Russia without the participation of German insurance people. Since the beginning of the war the Russian insurance business, thanks to its financial strength, has been able, without any difficulty, to break off its connections with Germany.

AN AMALGAMATION.

Two Old British Companies Will be Consolidated.

A provisional agreement for amalgamation has been entered into between the respective boards of the historical Eagle Life Office and the British Dominions General Insurance Company, subject to the approval of their shareholders and to the sanction of the Court being obtained, reports the "London Financier." Established under a deed of settlement in the nineteenth century—to be precise in the year 1807—the "Eagle" was incorporated under the Companies Acts, with unlimited liability in 1897. The capital of the company is £1,678,675, divided into 335,735 shares of £5 each, of which 10s. has been paid up. The funds of the company exceed £2,000,000. The British Dominions General Insurance Company, Limited, was established in the year 1904, and has an authorized capital of £1,000,002, of which £775,014 is subscribed, £380,292 being paid up and £394,722 uncalled. The preference capital amounts to £123,000 and carries a cumulative 6 per cent. preference dividend. The funds of the company exceed £1,700,000. The title of the amalgamated company will be the "Eagle and British Dominions Insurance Company, Limited."

The Scheme of Arrangement.

In exchange for their existing shares the Eagle shareholders will receive for every three shares of £5 each (10s. paid) five preferred ordinary shares of the amalgamated company of £3 each (6s. paid). These preferred ordinary shares will rank in front of the ordinary shares both for dividend and capital, and will be entitled to a cumulative preferential dividend of 8 per cent. per annum on the amount paid up, and a further preferential dividend of 2 per cent. in every year in which the amalgamated company pays on its ordinary shares more than 15 per cent. No debenture or new shares ranking prior to or pari passu with the preferred ordinary shares are hereafter to be issued without the consent of a resolution of the holders thereof. Mr. E. M. Mountain, the present managing director and underwriter of the British Dominions Company, will continue to act as managing director and underwriter of the company after the amalgamation, with Mr. H. M. Merriman as assistant underwriter.

Business Methods.

The Eagle has been one of those offices which, in spite of modern tendencies of insurance companies to transact all classes of business, has for many years strictly confined itself to the life business, whilst, on the other hand, the "British Dominions" has undertaken practically every class of business, with the exception of life, for which it will be remembered it recently took powers to transact.

The following list indicates that the Eagle in its heyday has played an important part in absorbing other undertakings and thereby adding to its strength. In 1826 it absorbed the United Empire, established in 1824; in 1827, the Protecta (No. 1), established also in 1824; in 1847, the Mariners and General, established in 1843; in 1855, the Mentor (No. 2), established in 1848, and the City of London, established in 1845; in 1856, the Palladium, established in 1824; in 1857, the Indisputable (No. 1), established in 1848; in 1858, the Albion (No. 1), established in 1805; and in 1866, the Solicitors and General, established in 1845.

B.C. FARM LOANS.

Working of the Act Explained by U.S. Consul at Victoria.

In a recent report to his government, U.S. Consul Mosher, stationed at Victoria, B.C., gives the following information about the working of the new British Columbia farm-loan act:

Many applications have already been filed with the Agricultural Credit Commission by the farmers of British Columbia for loans to make improvements to their farms, such as clearing, draining, the erection of buildings, and the purchase of stock—all calculated to increase the agricultural production.

The agricultural act was placed upon the statutes of British Columbia in March, 1915. It authorized the borrowing of $15,000,000 to be administered by a commission, the debentures of the said commission to be guaranteed by the government of the Province. A loan of $1,000,000 was obtained under the act and cost 5.63 per cent. and is being loaned to the farmers at 6.5 per cent.

Long-term loans for 20, 30, and 36½ years may be made on the amortization plan, interest and principal payable half-yearly. Short-term loans may be made from 3 to 10 years, which need not be amortizable.

Preference in Granting Loans.

A great many applications are being received where the money is wanted for paying off existing mortgages. The policy of the commission, with the limited amount of money at its disposal, is to give first consideration to applications where the money is to be used for purposes that will tend definitely to increase agricultural production; therefore the applications for money to be used exclusively to pay off mortgages are being held in abeyance for the time being.

The system is yet new in British Columbia, consequently statistical information is limited. The following figures, however, may be of interest:

Items.	No.	Average amount	Total amount
Applications rec'd..	1,400	$1,554	$2,175,455
Applications appr'd	464	2,324	1,078,605
Loans granted.....	144	1,628	234,430
Applications withdrawn	7	2,369	16,575
Applications ref'd..	142	2,425	334,405
Applications held over	121	3,078	372,450

Terms of Loans—Repayments and Fees.

Of the 144 loans granted 5 were for $250, 2 for $300, 21 for $500, 2 for $600, 3 for $750, 2 for $800, 2 for $850 26 for $1,000, 4 for $1,200, 12 for $1,250, 1 for $1,300 ,16 for $1,500, 4 for $1,800, 16 for $2,000, 1 for $2.280, 8 for $2,500, 4 for $3,000, 2 for $3,500, 4 for $4,000, 1 for $4,250, 6 for $5,000, 1 for $5,500, and 1 for $8,000. By length of time these loans are distributed thus: Straight loans—3-year, 3; 5-year, 28; amortizable loans—7-year, 1; 8-year, 3; 9-year, 1; 10-year, 42; 20-year, 32; 30-year, 14; 36½-year, 20.

The half-yearly repayments on loans, interest, and principal included, are as follows per $1,000: On a 3-year loan, $186; 4-year, $145; 5-year, $119; 6-year, $102; 7-year, $90,25; 8-year, $81,25; 9-year, $74.25; 10-year, $69; 20-year, $45; 30-year, $38.25; 36½-year, $36.

The commission has five appraisers in the field in the various parts of the Province.

Incorporated 1851.
Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - $ 4,000,000.00
Losses paid since organization over - - $63,000,000.00
W. R. BROCK, President. W. B. MEIKLE, Vice-President and General Manager. C. C. FOSTER, Secretary.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

The Uncertainty

of Life makes Insurance an imperative duty.

Everyone agrees—but many go no further. Take the first step towards securing suitable and sufficient protection by requesting information concerning the Great-West Policies. These policies cost least, and return the highest profits—they are clearly worded, and sufficiently diverse to meet all needs.

Your enquiry for rates will be given prompt and courteous attention. Do not delay any longer, write at once, giving date of birth to

The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P.; John Aird, Alfred Cooper (London, Eng.) H. C. Cox, D. B. Hanna, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., W. B. Meikle, Geo. A. Morrow, Augustus Myers, Lt.-Col. Frederic Nicholls, Col. Sir Henry Pellatt, E. R. Wood.
Assets, Over - - - $ 2,500,000.00
Losses Paid Since Organization Over - - $39,000,000.00

The UNION BANK OF AUSTRALIA, Ltd.
Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together £3,960,000
Reserve Liability of Proprietors.......£4,000,000
Total Capital and Reserve £7,960,000
Head Office: 71, CORNHILL, LONDON, E.C.
DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
Arthur P. Blake, Esq.
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.
Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.
The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Geo. O. Merson & Co.
Chartered Accountants.
807 Lumsden Bldg., Toronto

Northern Crown Bank
HEAD OFFICE, WINNIPEG
Capital (authorized) - $6,000,000
Capital (paid up) - - $1,431,200
Reserve - - - - $ 715,600
DIRECTORS.
President, Sir D. H. McMillan, K.C.M.G.
Vice-president, Capt. Wm. Robinson.
Jas. H. Ashdown, W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G.; E. F. Hutchings, John Stovel.
General Manager Robert Campbell
Supt. of Branches L. M. McCarthy
Four Branches in Alberta, seven in British Columbia. Twenty-one in Manitoba. Twenty-five in Ontario, Fifty-one in Saskatchewan. A total of One Hundred and Eight Branches throughout Canada.
V. F. CRONYN,
Manager - - - Toronto Branch

MORTGAGE LOANS AND REALTY

PERMITS ISSUED LAST YEAR SHOW GOOD INCREASE

In Twenty-five Cities Reporting, Gain of 32% is Made.

TORONTO'S LARGE INCREASE

Wherever Industry is Prominent There Building Has Been Carried On On a Larger Scale Than in 1915.

That the building industry of Canada has shown marked improvement during the year just closed has been evident as the monthly permits have been published. It was apparent quite early in the year that the aggregate for the whole country would run well ahead of 1915. This was particularly noticeable in the figures for the industrial centres. In practically every case where the manufacturing industry was prominent increases were shown.

Full returns for December have not yet come to hand, but enough cities have reported their figures for the month to enable one to form a fairly good idea of the increases for the year. In the following table, which gives the totals for twenty-five cities for both 1915 and 1916, it is seen that the gain approximates about 32 per cent. Toronto leads with an increase of over three millions. Chatham comes second with a little over a million, and Hamilton third with $881,263. Good showings have also been made by Winnipeg, Windsor, Quebec, St. Catharines and Galt. No figures have come to hand as yet from Vancouver, Victoria, Montreal or Halifax, all of which should show substantial increases.

BUILDING PERMITS

	1916	1915	Change
Brandon ..	$ 246,748	$ 36.125+	$ 210,623
Brantford .	282,677	235,600+	47.077
Chatham ..	1,338,924	247,710+	1,091,214
Edmonton .	228,640	288,375—	59,735
Galt	253,795	140,149+	113,646
Guelph ...	155,222	215,497—	60,275
Hamilton .	2,405,781	1,524,518+	881,263
Kingston ..	184,321	24[illegible],088—	59,767
Kitchener .	324,838	334,804—	9,966
London	926,125	1,207,630—	281,505
Maisson've .	194,340	651,800—	456,460
North Bay.	15,870	125,228—	109,358
Ottawa ...	1,530,400	1,585,085—	54,685
Peterboro .	121,975	96,990+	24,985
Quebec	2,913,157	2,578,042+	335,115
Regina	222,075	464,065—	241,990
St. Cath'n's	616,515	446,121+	170,394
St. John ..	464,350	346,275+	118,075
Saskatoon .	146,150	20,200+	125,950
Sudbury ...	165,500	103,575+	61,925
Toronto ...	9,882,467	6,651,889+	3,230,578
Welland ..	202.587	191,232+	11,355
Windsor ..	1,508,330	720,870+	787,460
Winnipeg .	2,507,300	1,826,300+	681,000
Woodstock	90,258	88,806+	1,452
	$26,928,345	$20,370,974+	$6,557,371

CHATHAM.

Permit for Dominion Sugar Company's Plant Boosts Total for Year.

The closing month of 1916 shattered all records in the history of Chatham for monthly returns of building permits, the heavy increase recorded including the permit issued to the Dominion Sugar Company for $1,000,000, for the construction of the large plant on King street west which has now been in operation for the past two months. The increase in December of 1916 over the corresponding month of 1915 amounts to $1,037,304; the total amount of permits for December of 1916 amounting to $1,046,125.

The increase in the permits for the year is also a record one, surpassing the best years in the history of the growth of Chatham, the total issue for 1916 amounting to $1,338,924; an increase over the total permits of 1915 of $1,091,714.

WINDSOR.

Reports Biggest Building Year in History of the City.

According to figures given out by City Engineer M. E. Brian, Tuesday morning, the year just closed has been the biggest building year in the history of Windsor. The value of building permits issued in December was $87,400, which, compared with $126,600 of the month previous, but this was because permits for several large buildings were issued in November. The numbers of permits issued for the two months were 34 for November and 37 for December. The grand total for the year is 586 permits, totalling in value $1,508,330, as compared with 304 permits, valued at $720,870 for 1915. This is an increase of $787,460, or over 109 per cent. The nearest approach to this record was in 1914, when the total reached $1,149,000.

During the year over 500 houses have been erected in the city. The largest permit was for the Collegiate Institute, which added $168,000 to the grand total. The demand for houses in the city is as heavy as ever, showing that prospects for 1917 are bright in the building line. An indication of the strong demand for workingmen's homes can be gathered from the fact that houses are being sold before the walls go up.

GALT.

Factories and Dwellings Figure in the Building Permit Record for the Year.

The year 1916 was an outstanding one for Galt in the development and growth of its manufacturing plants. Despite the war many extensions have been made to factories and foundries.. This growth is a feature of the returns for the year of building permits issued by City Engineer Fairchild. New factories and public buildings to the number of 14 were erected at a cost of $153,950.

While the manufacturing industries have extended, there has been no let-up in the erection of dwellings and while probably the number erected in 1916 is not as great as in previous years, it is nevertheless gratifying to know that the homes built were of an exceptionally good standard. Thirty-eight permits for dwellings aggregating a cost of $66,650 were issued.

During the month of December past, four permits with a value of $16,000 were taken out, which was a clear gain over the previous year, no permits having been issued in December, 1915. The following is the report of City Engineer Fairchild:—

Building permits issued for December, 1916, 4 permits.	$16,000
Building permits issued for December, 1915, none ...	......
Total permits issued in 1916, 145, value	$253,795.00
Total permits issued in 1915, 132, value	140,149.00
Increase	$113,646.00

Permits issued in 1916 were:—

	No.	Value.
Residences	38	$66,650
Factories	10	76,950
Public buildings	4	77,000
Garages and barns	29	5,110
Additions	30	18,436
Repairs	26	5,749
Alterations	8	3,900
Total	145	$253,795

WESTERN LANDS.

Sir James Aikins Favors the Leasehold System to Check Speculation.

The serious loss to Western Canada by the illegitimate exploitation of the land was the theme of a vigorous address by Sir James Aikins, Lieutenant-Governor of Manitoba, at a banquet given by the Travelers' Sales Managers and Credit Men's Association, in Winnipeg, last week.

Sir James astonished the 600 guests in attendance with the statement that of 100,000,000 acres of arable land granted to homesteaders, soldiers, railway corporations, the Hudson's Bay Company, and various private interests, only one-third was being worked. The Lieutenant-Governor suggested as a remedy the New Zealand principle—the letting out of public lands on a leasehold system. The leases, being for terms of 999 years, were practically freehold, but the Government retained the right to control the conditions of residence and cultivation. A similar method, Sir James intimated, was needed in Canada to check speculation in land and ensure the use of the natural resources.

TORONTO.

Sale of Properties for Arrears of Taxes Took Place This Week.

One hundred and forty parcels of property in Toronto were put up by auction this week by Auctioneer Charles Henderson, the sale being authorized by City Treasurer Bradshaw. Some of the taxes unpaid date back as far as 1910 and out of the 381 parcels that were on the list, all but 140 pieces were redeemed by the owners before the sale took place. The largest amount owing in taxes in the list was $800 and the largest amount owing of the 140 parcels offered was $200.

Finance Commissioner Bradshaw, when asked if in view of the order of the Board of Control to take into consideration the financial condition of the owners, owing to the war being on, stated that the department had been very lenient with everybody. He said that legislation was going to be asked for to charge six per cent. interest on all overdue taxes instead of five per cent.

Among the most prominent bidders were Alderman McBrien, who obtained 25 parcels; Messrs. McArthur Smith & Co.; Mrs. L. B. Lawrence, 1 Ruskin avenue; Z. Gatsby, 531 Dupont street; A. E. Traver, 25 Alexander street; and John Colridge, of Ingersoll. The twenty-five parcels which Ald. McBrien bid for totalled over $1,500, and out of the 140 parcels offered, 118 were sold at a total of $3,152.92.

LONDON.

Permits for the Year Fall Just Under the Million Mark.

Building Inspector Piper of London has prepared some interesting statistics relative to the building done in 1916. The results were most satisfactory, in his judgment, and show a healthy feeling. There were 1,034 permits issued during the year for a total of $926,125.

One of the interesting features was the number of garages erected on private property. No less than 111 were constructed, a record, for a total cost of $20,000. There were 193 dwellings built, at a cost of $354,355, an average of more than $1,750 each. Ten warehouses and factories, some of them additions, of course, were constructed for a total cost of $81,200.

BLUE DIAMOND COAL COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 22nd day of December, 1916, incorporating Reginald Herbert Montague Temple and Archibald James Reid, barristers-at-law; George Norman Limpricht, William Bowler and Frederick Charles Allen, clerks, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To purchase, lease or otherwise acquire coal fields and coal lands, ore bearing properties, mineral lands, mining locations, mining and surface rights, timber limits, wood lands, and timber lands, oil fields and privileges, natural gas lands and properties, water lots, water powers and privileges and other rights, privileges, easements and licenses; (b) To lay out, construct, purchase, lease or otherwise acquire, maintain, operate and manage: (1) mines of coal, iron or other minerals whatsoever; oil wells and wells of natural gas, or any products or by-products of any of them, mining structures, plant mills, pipe lines, buildings, machinery and appliances of every description; (2) power houses, structures, plant and equipment for the development, generation, transmission or utilization of water, steam, gas, electric or other powers and structures and plant for any form of heating and lighting; provided, however, that the sale, transmission or distribution of electric, pneumatic, hydraulic or other power or force beyond the lands of the company shall be subject to local and municipal regulations in that behalf; (3) steamships and vessels, piers, docks, drydocks, wharves, slips, basins and all incidental structures and appliances; (4) bridges, roads, tramways on lands owned or controlled by the company, aerial carriers, trails and ways of every description, yards and tracks for the storage or handling of any of the company's products or for the delivery thereof to adjacent railways; and (5) offices, stores, shops, grain elevators, hotels, boarding houses, dwellings, workmen's houses, restaurants and buildings of every description; (c) To purchase, sell and deal in any manufactures, products or by-products of the works hereinbefore specified, or any commodities, merchandise or manufactures which may be conveniently handled therewith, and are germane to the objects herein specified; (d) To purchase, acquire, sell and deal in any exclusive rights, patent rights, privileges or licenses in connection with the business of the company; (e) To guarantee any indebtedness, whether bonded or otherwise, of any company with which the company may have business relations and authorized to conduct any business within or similar to the powers of the company; (f) To issue and allot, as fully paid up, shares of the company hereby incorporated in payment or part payment for any property, movable or immovable, property rights, lease, business, franchise, undertaking, powers, privileges, licenses, concession, stock, bonds and debentures, or other assets or things which it may lawfully acquire by virtue of the powers hereby granted, or to pay for same or any part thereof in bonds, debentures or other securities of this company, and with the approval of the shareholders, for services rendered to the company; (g) To acquire the stock, securities or undertaking of any other company having for one of its objects the exercise of any of the powers of the company, or to transfer its undertaking or assets to, or to amalgamate with any such company; (h) To enter into partnership or into any arrangement for sharing profits or union of interests, cooperation, joint adventure, reciprocal concessions, or otherwise, or to amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to engage in or carry on, and to lend money to and act as employer, agent or manager of any such person or company, and to carry on the business of and to guarantee the contracts of or to otherwise assist any such person or company or any customers and to guarantee the securities issued or to be issued either conditionally or upon any condition, the bonds, debentures or other securities of any such company, and to take, hold, or otherwise acquire shares and securities of any such company notwithstanding the provisions of section 44 of the said Act, and to sell, hold, or re-issue with or without guarantee or otherwise deal with the same; (i) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (j) To acquire by purchase or otherwise, hold, sell and deal in the business, assets, good-will, and securities of any other company having for one of its objects the exercise of any of the powers of the company, or carrying on any business capable of being conducted so as to benefit the company, and to promote or assist in promoting any such other company or any subsidiary company, and to pay out of the funds of the company the costs and expenses of such promotion or assistance. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Blue Diamond Coal Company, Limited," with a capital stock of one million five hundred thousand dollars, divided into 15,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 28th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

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MURAD
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MONTREAL VIEW OF THE CANADIAN USE OF POWER

Shawinigan Official Describes Development of Schemes in Quebec.

MANY NEW INDUSTRIES

Manufacture of Munitions and Chemicals Having Effect Upon Demand—Further Development Planned.

BY JULIAN C. SMITH,
Vice-President and Managing Director of the Shawinigan Water & Power Company.

The general power situation in Canada is of considerable interest to-day, due both to the increased demand for power, caused largely by demands directly or indirectly for war material, as well as the shortage of coal, which situation has also been affected by the war conditions. The price of coal in Canada has practically doubled since the war started. This has been a severe handicap on the operation of steam driven power plants, not only on account of the increased cost of producing power, but also due largely to the impossibility of obtaining large and sufficient amounts of coal to keep such steam power plants in operation.

The Hydro-Electric in Ontario. Montreal Large User.

The city of Montreal is to-day the largest centre of hydro-electric power in the Dominion of Canada and receives power from Cedars Rapids, Chambly, and from the Shawinigan company's plant at Shawinigan Falls and Grand Mere. During the past year the new plant of the Laurentide Power Company at Grand Mere has been put into operation, and is to-day delivering about 60,000 h.p. There is available in the generating plants around Montreal, particularly in the Shawinigan company's plant at Shawinigan Falls and Grand Mere, a large amount of power, probably over 50,000 h.p. over and above the present consumption of about 100,000 h.p.

Power Additions Planned.

Further developments are possible at Shawinigan Falls, Grand Mere and at the Gres Falls, a power development owned by the Shawinigan company on the St. Maurice River, just below Shawinigan, which make available within the next few years 250,000 h.p. in addition to the 150,000 at present generated.

In addition to this there are many other water powers in the Province of Quebec which can be and doubtless will be developed in the near future, as the demand for power justifies their development. It has by far the largest available amount of water power of any province of the Dominion.

Shortage of Appartaus.

While some of the munition makers have complained about the power situation, that is their inability to get prompt delivery of power, this condition is largely due to the difficulty in getting apparatus involved in the distribution and utilization of the power and not to an actual shortage of power.

Owing to the fact that the electrical apparatus manufacturing companies, such as the Canadian Westinghouse Co., and the Canadian General Electric Company, are engaged in the manufacture of munitions, the delivery of the apparatus such as electric motors and transformers is frequently delayed, and for that reason particularly the available power sources are difficult to put into immediate operation, although the power is actually available at the power plants, and available for use in the immediate neighborhood of the power stations.

New Industries.

The development of certain industries has been greatly stimulated by the war, particularly those industries which are large consumers of power.

New chemical industries have been developed during the last two or three years, and one of the results of this has been the extraordinary development in the use of power at those points where power is available. For instance, Shawinigan Falls to-day is probably the locality outside of Montreal which consumes the largest amount of power in the Dominion, the amount being used at Shawinigan being in the neighborhood of 100,000 h.p. This is due principally to the development of such chemical industries as the manufacture of aluminum, calcium carbide, magnesium and other chemicals which are largely utilized for war purposes.

New Projects Planned.

The uncertainty regarding the financial situation has prevented the financing of several large industries, but this condition seems to be gradually improving, and to-day several schemes are being discussed and no doubt in the near future there will be arrangements carried out for the financing of new power developments in Canada.

The next few years promise a very successful period for water power plants. The high price of coal, with the strong probability that while the price will go down somewhat, it will not reach the former low level, together with the necessity of selling cheap power for new chemical industries, should tend to encourage the belief that the development of the natural resources of Canada in the shape of water powers, has just started a most successful era.

BANK OF TORONTO.
Error in Comparisons Marred Analysis of Annual Statement.

Owing to an error in the preparation of the figures for the analysis of the annual statement of the Bank of Toronto, which appeared in connection with an article in last week's issue of the FINANCIAL POST, the demand and savings deposits were confused and the deductions based thereon were therefore misleading. In the liabilities to the public the deposits under the two heads were correctly given for 1916, but for 1915 the savings were compared with the demand, and vice versa. The result was that instead of an increase of $30,646,649 for demand and a reduction of $24,522,909 in savings, as shown, the net increase of $6,123,740 should have been divided, the increase in demand being $2,935,028, and in savings $3,188,712. The conclusion drawn that the decline in savings deposits had been a factor in increasing earnings as a result of a smaller amount of interest paid to the public was, therefore, erroneous. The fact that profits did increase from $663,075 to $730,954, with current loans enlarged by only $172,820, and with liquid assets substantially increased, quite evidently reflects good returns upon the bank's investments in municipal securities, which increased by $4,180,903 to $5,757,479, and general efficiency in administration.

BRITISH AMERICAN TOBACCO.
Remarkable Progress Made During Year Just Closed.

The year just closed has been a record one in the affairs of the British American Tobacco Co., according to Hugo Cunliffe-Owen who is now in America on a business visit. He says:

"For the 12 months ended September 30 net profits, after deducting all charges, expenses for management and providing for income tax, amounted to £2,733,361, as against £1,850,059 in the previous year. We declared a final dividend of 5 per cent. free of British income tax upon the ordinary shares. This made, with the interim dividends already paid, 30 per cent. for the year ended September 30 as against 22½ per cent. for the year ended September 30, 1915.

"Directors of the company also took action on a further cash distribution of 6 per cent. in the form of an interim dividend for the years 1916 and 1917. This compares with a dividend of 5 per cent. at the same period a year ago.

"Stockholders will also receive a bonus distribution of one ordinary Canadian share of a par value of $5 in respect of every four ordinary shares of the British American Tobacco Co. The stock of the Imperial Tobacco Co. of Canada is quoted anywhere from $4 to $5 a share, so that this distribution alone is equal to 20 per cent. to 25 per cent. on the stock of the British American concern. In other words, including stock and cash, our distributions for the year just closed have amounted to at least 50 per cent., as compared with 22½ per cent. for 1915.

"The Imperial Tobacco Co. of Canada has always been a subsidiary of the British American concern. Even with a distribution of the 1,563,580 shares of the Imperial concern to British American stockholders, we still retain control of the Canadian company."

ROYAL-QUEBEC BANK MERGER CONSUMMATED

Shareholders of Absorbed Institution To Be Given Direct Representation

POLICY OF CONCENTRATION

Officials of the Royal Evidently Favor Expansion of Larger Financial Interests—The Return to Quebec Shareholders.

The event of the week in banking circles was the taking over on Tuesday by the Royal Bank of Canada of the entire assets and business of the Quebec Bank, according to the terms of the recently published arrangements. Overlapping Quebec Bank branches were closed. Others continue in business under the new name of Royal. Under the latter category, come all the Montreal branches. Closures occurred at eighteen points in the Province of Quebec outside of Montreal.

It is understood that shareholders of the Quebec Bank will be given direct representation on the Royal board by the election of three directors at the annual meeting next week. The payment as carried out on Tuesday included the taking over of 27,351 Quebec Bank shares in exchange for 9,117 of the Royal and $683,775 in cash, so that Quebec shareholders received $75 in cash and one share of Royal stock for every three shares of Quebec held.

The Montreal Gazette points out that at the current price of $212 a share for Royal shares, holders of Quebec shares will receive a trifle less than $96 a share for their holdings. Although this represents in some cases an actual loss of capital for the time being, the potential value of the stock is thought to justify same. November 30th figures show total assets of the Royal Bank as being $275,755,126, of which Quebec amounts to $22,493,699. Public deposits amounted to $207,392,100, of which $11,000,000 were with the Quebec Bank.

Sir Herbert Holt's Views.

It is interesting to conjecture as to just how far the trend toward concentration of banking resources in Canada may go. Sir Herbert Holt, the president of the Royal Bank, which has previously become prominent in this respect, recently advocated in an interview in the FINANCIAL POST, the pooling of all banking resources for the furtherance of our national trade aspirations. The POST understands further in this connection that Sir Herbert believes that the day of the small bank in Canada is over, and that all changes in the banking situation will be on lines similar to the latest absorption.

Charles C. Blackader, of Halifax, N.S., has been elected a director to succeed the late Lieut.-Governor MacKeen, on the board.

QUEBEC RAILWAYS.
Market Waiting on Exchequer Court Decision.

Interest continues to centre on the nature of the forthcoming decision of the Exchequer Court at Ottawa on the Saguenay purchase from the Quebec Railway, Light, Heat & Power Company. The decision has already been discounted to a certain extent on the basis of its being favorable. In the meanwhile, trading has been quieter than usual during the week with the stock holding up well.

GERMAN LINES EXPLAIN.
Notice About Freight Garbled—To be Forwarded at End of War.

The report that the Hamburg-American line and North German Lloyd lines planned to resume maritime traffic to New York on Feb. 1 was denied by officials of the former company. This statement was given out:

"On December 16 the Hamburg-American line issued a notice that freight would be accepted for shipment to Hamburg and from Hamburg to New York, the goods to be sent forward when we were able to do so, which, of course, meant after the end of the war. This notice was also issued in Germany. It is likely that the cabled report referred to it and the announcement was garbled by the press on the other side."

THE BANK OF TORONTO

Annual Meeting

The Annual General Meeting of Shareholders of this Bank will be held at the Banking House of the Institution, Corner of King and Bay Streets, Toronto, on Wednesday, the Tenth Day of January next. The Chair to be taken at noon.

THOS. F. HOW,
General Manager.

The Bank of Toronto,
Toronto, December 1st, 1916.

Macey
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COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS

¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1915, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically.

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SECOND SECTION
Pages 17 to 32

ANNUAL REVIEW AND OUTLOOK
THE FINANCIAL POST
OF CANADA

THE CANADIAN NEWSPAPER FOR INVESTORS

VOL. XI. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE, TORONTO, JANUARY 6, 1917 ANNUAL SUBSCRIPTION $3.00. No. 1

Exports Show Great National Production

Remarkable Growth of Shipments Both of Manufactures and Natural Products—Effect of Munitions Orders Especially in Evidence in Iron and Steel Business

THAT Canada is rapidly becoming a great export nation is shown by Government figures which indicate the extent of Canada's trade for corresponding periods of recent years. She has long been an exporter of raw materials, especially food products, but never before in the history of the Dominion have Canadian manufacturers devoted more study to the possibilities of developing export trade. To-day there are many Canadian manufacturers doing a nice export trade, who prior to the war, confined their entire attention and efforts to the development of trade within Canada. It is true that military requirements have been to a great extent responsible for some of the huge increases in the value of exports. But in addition to the demand for military supplies, there have been heavy exports of many manufactured products which have gone forward to supply the domestic requirements of foreign importers. At the same time, our exports of raw materials have increased.

Export Trade Has Been Growing

That Canada's export trade has been growing steadily for some years past is shown by the official figures of the Department of Trade and Commerce. Figures showing how export trade has been growing makes interesting reading. For the United Kingdom, the United States and other countries, by years, the exports for a ten year period are shown below. The figures represent those at the end of the fiscal year, March 31, and are as follows:—

	United Kingdom	United States	Other Countries
1907 ..	$134,469,420	$109,772,944	$27,964,242
1908 ..	134,484,156	113,520,500	32,001,950
1909 ..	133,746,638	92,603,094	35,162,427
1910 ..	149,634,107	113,159,778	38,573,644
1911 ..	137,158,711	119,203,201	40,834,453
1912 ..	151,853,054	120,534,993	42,929,203
1913 ..	177,982,002	167,110,382	48,139,673
1914 ..	222,322,766	200,459,373	56,215,789
1915 ..	211,758,803	215,409,326	68,640,688
1916 ..	463,081,241	320,225,080	99,566,181

The latest figures available covering the twelve months ending Oct. 31, show the exports of Canadian produce to be over the billion mark, or to be exact, $1,037,213,597.

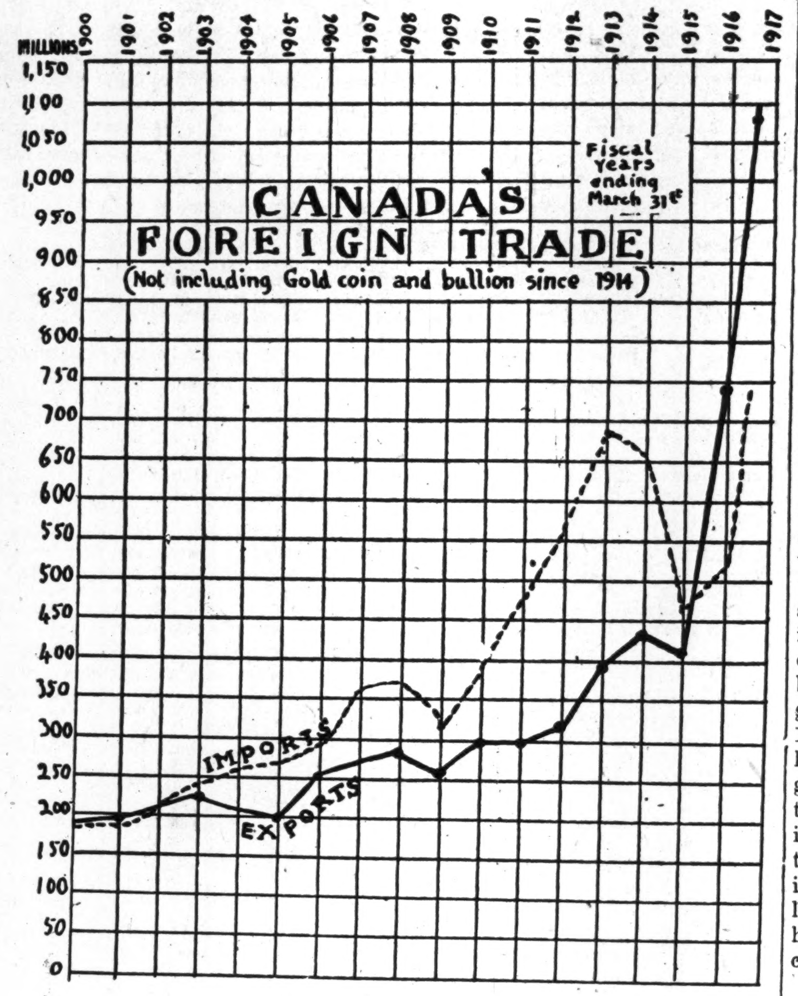
This total increase of exports is made up of agricultural products and manufactures, as the following table will show. Products of the mines, forests, and fisheries have not increased as fast as we might wish, but on the other hand, this indicates that Canada is succeeding in working up the raw materials into manufactures, thus supplying more work for her laborers and more activity for her mills.

Exports of Manufactures.

The increase in exports of Canadian manufactures is particularly interesting because, until recently, so unexpected. An important feature of this present-day trade, and one which has been decidedly noticeable ever since the outbreak of the war, is the large number of inquiries from

Continued on page 28.

The Balance of Trade



CANADA'S BALANCE OF TRADE

This diagram and the table below scarcely need explanation. The war wrought a complete change. It must be remembered, however, that in 1914 Canada owed $120,000,000 of interest annually, and to-day about $200,000,000, so that she must have a favorable balance amounting to this before she is paying her way.

The war brought a complete change, as the following table shows:—

Twelve Months Ending September.

Merchandise only.	1913.	1914.	1915.	1916.
Imports	$682,977,000	$531,853,000	$417,183,000	$ 685,278,000
Exports	408,574,000	468,210,000	517,982,000	1,052,925,000
Unfavorable balance	274,403,000	63,643,000	......	......
Favorable balance	......	......	100,799,000	367,647,000

Large Imports Indicate Extravagant Spending

Increase of Purchases Give Evidence That People are Buying Luxuries—Gold Holdings Also Grow—Imports of Raw Materials Remarkably Large for Young Country.

THE accompanying statement of Canadian imports for the month of October, 1916, and the twelve months ending October 31, shows a really remarkable increase. We have been complimenting ourselves on the growth of exports and the establishment of a favorable balance of trade, but there are features of the import figures which must not be neglected.

The increase in totals is an important point. They have almost doubled in one year. They have actually increased over the total for the last boom year, 1913. Imports of free goods have greatly increased over 1913, while imports of dutiable goods have declined. Imports of dutiable goods are however greater than in the year ending October 31, 1914, and imports of free goods are almost twice what they were in 1914. It is interesting to note that the duties collected have doubled over 1914 and have increased by one-half over the customs of 1915.

Gold and Bullion Imports.

It is important to note that Canada has been importing gold since the war began. Before 1914 the country gained little more than 5 to 10 millions in a year, and only twice more than $10,000,000 in a year. In the twelve months ending October 31, 1914, $92,855,571 were imported, of which $52,578,669 were imported in the month of October. This proves the influence of the war. In 1915 and 1916 the country has gained an average of about $50,000,000 of gold a year.

Doubtless this has had something to do with the expansion of Canadian credits and if the quantity theory of prices is acceptable to the reader it has a good deal to do with the advance in prices in Canada. Certainly the item is worth watching and we may be wise in anticipating, as American bankers are under similar circumstances, the post-war withdrawal of this gold from the American continent and the consequent reduction in prices and contraction of credits.

Luxurious Canada.

The values of the principal articles imported for consumption in Canada will bear close inspection. There is no doubt that Canada is importing a vast volume of goods for luxurious consumption rather than for productive purposes in Canada. The following table shows this quite clearly:—

Imports of Special Articles.

Articles.	12 months end. Sept. 1915.	 1916.
Carriages, carts, wagons, cars	$ 7,835,906	$15,009,037
Cocoa, chocolate, etc.	2,054,908	3,003,600
Cottons	26,617,499	44,093,646
Fancy goods	2,591,131	3,525,650
Fruits	13,397,248	16,747,556
Furs, etc	1,862,082	3,073,051
Gutta percha India rubber & mfres.	7,978,628	10,010,609
Oils	1,096,367	19,226,745
Provisions	5,143,243	18,987,860
Silk & mfres. thereof	7,412,020	11,719,896
Sugar, molasses, etc.	19,997,871	30,347,162
Tobacco	4,700,881	6,446,391
Wool & mfres. of	24,133,832	41,732,259

Continued on page 28.

January Investments
GOVERNMENT & MUNICIPAL BONDS

Such securities are regarded as combining in the highest degree the essentials of good investments,---safety of principal and good income return.

Security.	Per Cent.	Due.
Dominion of Canada	5	1925
Dominion of Canada	5	1931
Dominion of Canada Debenture Stock	5	1919
Province of Saskatchewan	5	1920
Province of Saskatchewan	5	1921
Province of Saskatchewan	4	1923
Province of Manitoba (guaranteed)	5	1936
Grand Trunk Pacific Branch Lines Co. (Guaranteed by Province of Saskatchewan)	4	1939
City of Montreal Schools	4	1951
City of Toronto	5	1925
City of Toronto	4½	1949
City of London	4½	1937
City of London	4½	1938

Security	Per Cent.	Due.
City Windsor, Ont.	5 or 5½	1918–1946
City Sorel Schools, Que.	5½	1936
City Verdun, Que.	5	1939
City Hamilton, Ont.	4	1934
City Medicine Hat, Alta.	5	1933
City Brandon, Man.	5	1945
City Westmount, Que.	4	1954
City St. Hyacinthe (Schools), Que	5½	1918–47
City Cranbrook, B.C.	5	1951
Town Pembroke, Ont.	5	1933–46
Town Sudbury, Ont.	5	1917–1921
Town Grand Valley, Ont. (guaranteed by County Dufferin)	6	1917–36
Township of Dover	6	1918–1932

Copy of January List with full particulars on request

Established 1889

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Montreal Office: Transportation Building

Capital Expenditures are Reduced

Aggregate of Loans Made by the Dominion and Provincial Governments, Municipalities, Railway and Other Corporations is Substantially Less Than in 1915, Showing That Economies in Capital Expenditure Have Been Generally Practised by Provincial Governments and Municipalities.

By W. A. Craick.

THANKS largely to economies on the part of provincial governments, municipalities and railway corporations, the aggregate of borrowing on capital account by Canada during 1916 was substantially less than in 1915. For 1915, the figure was $339,792,815, while for 1916 the total was reduced to $308,013,940. Included in this latter figure, it should be noted, is a sum of about four million dollars, which represents an approximation of the sales by the Government up to the end of the year of five per cent. debenture stocks, probably by about $4,000,000.

Provincial borrowing was considerably less than in 1915. In that year a total of approximately $46,000,000 was secured by provincial governments. Last year, the provinces only assumed liabilities of about $31,000,000, or $15,000,000 less than in the previous year. Had it not been for the slightly enlarged borrowing of the Dominion Government, the reduction in governmental borrowing would have been more pronounced.

Municipal borrowing also shows a healthy reduction. It has been steadily on the down grade from 1913, when it reached its maximum. The 1916 total of $52,905,975 is approximately $15,000,000 less than the 1915 total, $32,000,000 less than the 1914 total, and fully $63,000,000 less than in 1913. It is only very slightly in excess of the totals for 1911 and 1912.

Borrowings by railway companies has also had a similar steady reduction from the high water mark recorded in 1913. Last year's borrowing which reached nearly $16,000,000, was approximately $22,000,000 less than in 1915.

Contrasted with the foregoing reductions it is interesting to note that the borrowings of public service companies and industrial and other corporations, are again on the up grade. In both departments an increase is shown over 1915. This is significant, as it indicates an improved position in the business life of the country. The increase in borrowing by industries is particularly pronounced.

The question of where Canada secures its capital year by year is always a matter of deep interest to financiers. As might be expected, the United States has again demonstrated its ability to finance an increasing portion of the country's needs. Whereas in 1915, Great Britain was still a factor to the extent of supplying 13.5 per cent. of the money borrowed by Canada, in 1916 its loans amounted to only about 2 per cent. of the total. On the other hand the United States, which furnished 53 per cent. of the total in 1915, was last year responsible for approximately 64 per cent. As Canada itself has provided about one-third of the money required in each year, it follows that the United States has replaced Great Britain almost dollar for dollar in the country's borrowing.

Provincial Borrowing.

ONTARIO.—The Government of Ontario has made three loans during the year. In May an issue of $4,000,000 five per cent., ten-year bonds was made in New York, and again in December, a similar $2,000,000 issue was sold by public tender to a Toronto bond house, which disposed of the bulk of the bonds in the United States. The third provincial issue was made in connection with the purchase for the Hydro-Electric Power Commission of the Seymour Power Company's system. An issue of $8,350,000 provincial bonds was made and given to the Sun Life Assurance Company in payment for the power system.

BRITISH COLUMBIA.—Two issues have been made by British Columbia in 1916. The first, in March, was in connection with the agricultural credits act and consisted of $1,000,000, 4½ per cent., 25-year bonds. These were sold to a Toronto bond house, but were disposed of almost entirely in the United States. A second issue of $2,000,000, 4½ per cent., 10-year bonds was placed with the same bond house in June.

COMPARATIVE FIGURES ON VARIOUS ISSUES.

	1916	1915	1914	1913	1912	1911
Government	$209,994,633	$215,314,123	$ 85,415,330	$ 53,066,550	$ 35,639,700	$ 5,675,000
Municipal	52,905,975	67,728,017	84,388,431	115,761,925	48,414,962	47,159,288
Railway	15,920,000	37,915,665	59,405,666	108,528,044	69,972,320	100,472,700
Public Service	13,800,000	10,885,000	9,777,954	26,574,479	21,565,000	32,105,500
Misc. Corps.	15,513,332	8,050,000	18,593,915	47,477,631	55,191,000	54,580,500
	$308,013,940	$339,792,915	$257,581,296	$351,408,629	$220,782,982	$239,992,988

SUMMARY OF CANADIAN BOND ISSUES IN 1916.

	Amount.	Canada.	U.S.	Gt. Britain.
Government	$209,994,633	$ 88,773,000	$121,221,633	....
Municipal	52,905,975	18,452,770	34,453,205	....
Railways	15,920,000	....	15,920,000	....
Public Service Corps.	13 800,000	550,000	13,250,000	....
Miscellaneous Corps.	15,513,332	1,000,000	9,646,666	4,866,666
	$308,013,940	$108,775,770	$194,491,504	$ 4,866,666
*1915	339,792,815	114,231,317	180,752,500	44,908,998
*1914	257,581,296	32,999,860	53,944,548	170,636,888
*1913	351,408,629	45,603,753	50,720,762	255,084,114

*These figures are taken from the compilation of bond sales made at the end of each year for E. R. Wood, president Dominion Securities Corporation.

MUNICIPAL BORROWING BY MONTHS.

	General.	School Districts	Rural Tel. Co.'s.	Total.
January	$ 5,164,802	27,150	4,500	5,196,452
February	3,268,057	36,150	37,700	3,341,907
March	1,450,592	34,100	21,950	1,506,642
April	3,177,310	64,200	64,600	3,306,110
May	9,614,582	77,750	139,800	9,832,132
June	6,458,897	76,295	238,056	6,773,248
July	4,874,593	89,365	239,100	5,203,058
August	590,540	111,250	408,900	1,110,690
September	1,051,125	44,850	280,450	1,376,425
October	1,410,262	57,850	248,900	1,717,012
November	12,276,674	94,750	246,850	12,618,274
December	743,125	51,500	129,400	924,025
	$50,080,559	$765,210	$2,060,206	$52,905,975

MANITOBA.—An issue of three-year fives, aggregating $1,073,000, was made by the province in March. These bonds were issued for various purposes, including construction of Parliament Buildings and other public works. Later in the year approximately $2,000,000 of ten-year fives was sold in New York in connection with the refunding of sterling bonds.

SASKATCHEWAN.—In addition to issuing about $2,000,000 of ten-year five per cent. bonds in connection with refunding sterling bonds in New York, Saskatchewan has made two new issues during the year. The first was put out in April and consisted of $1,000,000 five and ten-year five per cent. bonds, and the latter, which was sold by tender in December, was made up of $500,000, fifteen-year fives.

ALBERTA.—The province of Alberta was only in the market once. In May an issue of $2,000,000 ten-year fives was sold by tender to a Toronto bond house and through them was placed largely in the United States.

QUEBEC. — Quebec's borrowing was also confined to one issue. This consisted of $4,000,000 ten-year fives which were placed with a syndicate of American bond houses.

NOVA SCOTIA.—An issue of $1,000,000 ten-year five per cent. gold bonds was made in June by the province of Nova Scotia, selling by public tender to a Toronto bond house.

Principal Municipal Issues.

Montreal entered the market twice during the year, on both occasions offering her bonds for sale by tender. The first sale was made in May. The issue then offered consisted of $2,000,000 twenty-year five per cent. gold bonds and it was sold at 98.867 to A. E. Ames & Co. The second sale in November brought the city 97.787 for $3,800,000 40-year five per cent. bonds. The purchasers were Wood, Gundy & Co.

Toronto also put through two sales in May and November respectively. In both cases tenders were called and in both cases the bonds were awarded to the same firm, A. H. Martens & Co. The first issue comprised $3,669,000 five per cents of varying maturities and sold for 99.637. The second consisted of $2,594,000 five per cent. twenty-year serials and sold for 99.477.

Winnipeg's financing was confined to the prosecution of its refunding scheme and in this connection $2,150,000 ten-year five per cent. bonds were issued in New York during the month of November.

Vancouver met its requirements for 1916 by an issue of arrears of taxes, certificates, amounting to $1,700,000, which were placed with an American bond house.

Victoria made a single sale in January through the Dominion Securities, the amount in question being $1,000,000. These were three-year fives.

Calgary's sales were limited to one transaction, this being the sale of Spitzer, Rorick & Co., in June, of $1,568,807 five per cent., twenty and thirty-year bonds. These were issued for public works and local improvements and brought 88.125.

Edmonton sold to Wood. Gundy, in January, $2,075,000 five-year sixes, and again in September sold locally $563,000 twenty-year fives.

Ottawa's usual annual sale was made early in June. It consisted this year of $1,032,517 fives of various maturities, and the price obtained from the Dominion Securities was slightly better than par.

Quebec sold in April to Brent-Noxon & Co., $475,000 five-year fives at 98.77, and Halifax sold in June to the Dominion Securities Corporation $460,420 of 35-year fives.

Government Bonds.

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Canada's Borrowing on Sound Basis

Federal Financing Carried Out at Home and in New York—Gross Debt Now Reaches $1,000,000,000—Surety Offered to Holders by the New System of War Taxes Which Has Been Put Into Force.

By W. J. Donald, Ph.D., Department of Economics, McMaster University.

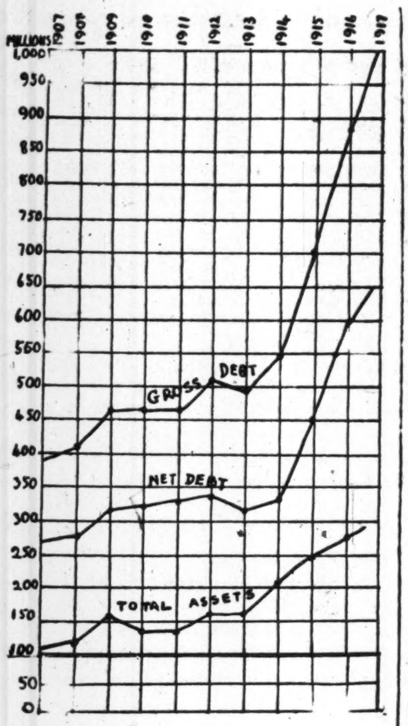
THE indebtedness of the Canadian Government has in the course of the last year and a half become a very important problem not only because it affects every taxpayer and every consumer of goods imported into Canada; not only because it is an important question for governmental consideration, but also because the volume of bonds and stocks of the Dominion of Canada held by Canadians is now very large, and because these securities are being exchanged in Canadian markets in increasing volumes. The FINANCIAL POST therefore believes that it can be of service to its readers by reviewing the situation as fully as possible.

Pre-War Debt.

Before the beginning of this war—to be specific, on March 31, 1914—Canada had a gross debt of $544,391,368, and a net debt of $335,996,850, an increase of $260,268,108 over the net national debt of 1867. During a few special years the debt had actually been decreased: by $1,734,129 in 1882, by $10,222,100 in 1903, $3,371,117 in 1907, and $25,617,835 in 1913. The accompanying diagrams will, however, show that there had been a fairly gradual and regular increase until the beginning of the century, or even 1907. Since that time there has been a very sharp increase in both the gross and net debt, notwithstanding a certain increase in assets of the Dominion. One shows in more detail the situation during the last decade.

Financing in 1914-15.

When the war broke out the financial programme of the Government was at first seriously disturbed. Already a depression had set in and revenues from customs duties were less than had been expected early in 1914. The war made borrowing abroad for other than war purposes next to impossible and at the same time it increased the expenditures of the Dominion. Expenditures on Consolidated Fund account for the year ending March 31, 1915, exceeded revenues by $10,000,000 and $50,000,000 was spent on capital and special accounts other than the war, while $50,000,000 was spent on war itself. To meet this situation the Government issued $25,000,000 of Dominion notes without increasing the gold reserve, it borrowed £12,000,000 by arrangement with the Imperial Treasury, issued £3,000,000 of six months' treasury bills, maturing in June, 1915, sold £1,300,000 of 1940-60 debenture stock and in March, 1915, sold £5,000,000 of 1920-25 debenture stock in London.



Comparisons 10 years.

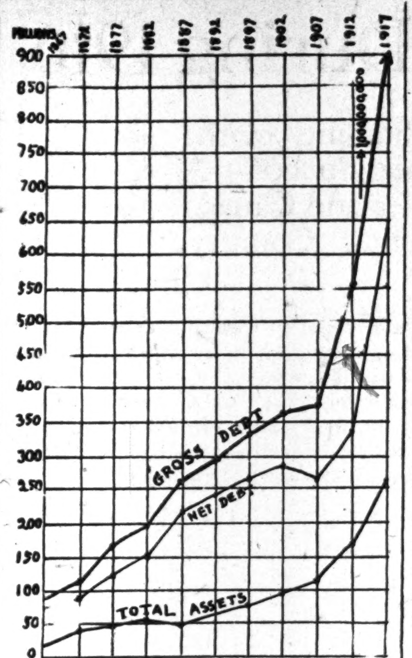
1915-16 Finance.

In the following fiscal year, the Finance Minister had to provide for a total expenditure of $300,000,000, including $140,000,000 on Consolidated Fund account, £40,000,000 on capital and special account, and $100,000,000 on war account. The £3,000,000 of treasury bills had to be retired and $5,000,000 of indebtedness to the Bank of Montreal paid off. New war taxation was provided for in March, 1915, sufficient to increase the total revenue to $153,000,000. The Government therefore faced the necessity of borrowing about $147,000,000. About $47,000,000 of this the Finance Minister expected to borrow wherever he could, probably in New York, for purposes other than the war. The rest he expected to borrow by renewing the arrangement to borrow from the Imperial Treasury the total expenditure on the war.

Borrowing from Imperial Government.

At this time there was some criticism of borrowing at the expense of the Imperial Treasury. Mr. White was however able to point out that if the Dominion Government had attempted to raise its war expenditures at home during the first year of the war, she would have lost a great part of her gold in order to settle her international balances, and she would not have been able to have done so much in the war. At that time Canada had an unfavorable balance of trade and borrowing abroad was the almost necessary means of settling the balance. In any case, the money could not have been raised in Canada at that time. Domestic financing had to await a singular turn in events.

As a matter of fact the arrangement to borrow from the Imperial Treasury for war expenditure was continued throughout the fiscal year ending March 31, 1916. In the autumn of 1915, a total authorized loan of £30,000,000 from the Imperial Treasury, to be awarded at a rate not exceeding £2,500,000 per month during the calendar year, 1916, was arranged to maintain her forces overseas, but it was the purpose of the Government to relieve the heavy burden of Britain's own war expenditures and loans to the Allies by drawing on this as little as possible. Down to February, 1916, the Imperial Treasury had advanced £27,000,000 to the Canadian Government and the arrangement is still in effect for use in case of emergency.



Comparisons 50 years.

First Loan in New York.

But after the beginning of the serious decline in sterling exchange in June, 1915, coincided with the enormous increase in American exports to Europe the Canadian Government was able to sell her securities for purposes other than the war in New York, and ultimately when her own trade balance became more favorable she was able to finance all her war expenditures, at least all expenditures made at home, by means of domestic war loans.

July, 1915, saw the first Dominion loan in America. The Minister of Finance sold $25,000,000 of 5 per cent., 1-year notes at par, and $20,000,000 of 5 per cent., 2-year notes at 99½. Both of these issues were exchangeable for 20-year bonds. The purpose was to provide for expenditures on public undertakings under contract, and other capital outlays. The issue was made through J. P. Morgan and Company without the use of a prospectus. There was indeed a considerable amount of criticism of the high rates of the loan, especially as Great Britain was borrowing at 4½ per cent., and the provincial governments at 5 per cent. Many believed that Canada was paying high long term rates for short term money, while at the same time Canada bound herself not to do more financing in New York during 1915. It is important, however, to remember that at this time it seemed that the war would be over in 1916, and that more favorable rates might be obtainable then to meet the maturing liabilities and that at the same time the rates of exchange between New York and Canada, usually favorable, had become adverse and were badly in need of repair by an arrangement such as this loan, which would reduce Canada's immediate indebtedness to the United States.

First Domestic War Loan.

By November, 1915, Canada was in the market for more money. In the meantime, however, money rates with New York had become normal again, thanks partly to New York buying of Canadian munition stocks and also municipal securities. Canada had also greatly increased her exports and the prospects were favorable for a great increase of exportation of the enormous wheat crop and also munitions. Sterling exchange was running against Great Britain and had Canada borrowed in England at such a time she would have been competing with the British Government in selling sterling exchange in New York, thus sending it to a greater discount and making it more difficult for Great Britain to buy munitions in America. The depressing effects of the war had disappeared and the country was entering on the usual period of wartime prosperity. Not only was it unpatriotic to call on London for more funds; it was also unnnecessary, and from the national point of view, unwise.

The loan was therefore offered to Canadian investors in the last week of November. It consisted of an offer of $50,000,000 of 5 per cent., 10-year bonds at 97½, payable in instalments extending from November, 1915, to May, 1916. The issue was most enthusiastically and patriotically received by the Canadian people, and thanks to a considerable extent to the efforts of the bond houses, whose regular sales had been interfered with by the announcement of the domestic loan some weeks before, the loan was more than doubly oversubscribed. In view of this response and the ernest desire of private investors and financial institutions who had subscribed for large amounts, the authorized amount was doubled and an allotment of $100,000,000 made.

The domestic issue was amply justified, not only by the volume of subscriptions, but also by the sources. The small investor took three-quarters of the loan. Bank accounts that had not been drawn upon for 20 years were touched for the the first domestic loan. Women were in the majority among the small subscribers, due partly to the fact that men were away at the war, but mostly owing to the fact that the bond houses were able to get orders from persons on their lists who had not usually purchased bonds. If the original loan of $50,000,000 had been adhered to the banks would not have had any of it and as it was, their subscriptions were reduced. Insurance companies bought $9,850,000, industrial companies $6,165,000, municipalities and provinces $3,064,000, and Trust and Loan Companies $1,350,000.

Another favorable feature of Canadian finance brought out by this loan was that the subscribers were able to pay up promptly. Three quarters of the $100,000,000 was paid in full on Jan. 31, 1916. Only one-quarter of the total was paid in instalments. This proved that the Canadian economic situation was fundamentally sound.

Investors in other securities, especially as represented by the bond houses, had some criticism. The announcement of the impending loan was made so far in advance that sales of municipal securities were checked for some time. Furthermore, local banks often got credit for sales of the war loan that should have been credited to individual bond houses. Furthermore, the rate was so much higher than was expected (nearer 5.5 per cent. than 5.45 per cent.), that other securities had a tendency to fall in price. The loan was, however, so successful that municipalities and provinces soon began to re-enter the market and when the Dominion loan

Continued on page 23.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

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Capital Paid-up - - -	$12,900,000
Reserve Funds - - -	$14,000,000
Aggregate Assets - - -	$275,000,000

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SAVINGS DEPARTMENT AT EVERY BRANCH.

The Foreign Exchanges During 1916

Effort of British Government to Maintain Stability of the Pound Has Met With Really Remarkable Success—A Study of Gold Movements to the United States and Canada Has Unusual Interest—Banks Help Mother Country.

By N. J. Donald, Ph.D.

THE outstanding feature of the foreign exchanges in 1916 has been the effort of the British Government to keep the pound sterling stable. It ought probably to be said that success in the effort is the really remarkable result. From the first of January, when there were some rapid fluctuations at the end of a gradual and regular improvement from the time sterling was about $4.60, the quotations have been pinned very closely to $4.76 or thereabout. This represented a discount of about 2 per cent., or a little more.

Mobilizing to Support Sterling.

The chief method used by Great Britain was one began in December, 1915, when arrangements were completed by which a syndicate of American bankers granted a group of eight leading joint stock banks a credit of $50,000,000 to facilitate private transactions. This credit was secured by a deposit of British Government securities. This provided payment for about $50,000,000 of American exports.

Furthermore, the British Government began as early as August, 1915, to mobilize the holdings of French and English investors in American securities in order to prepare for the inevitable secured loan to be issued in America. After several appeals to patriotism, the British Government resorted to taxation as a means of bringing out the securities, though even this scheme has been none too successful. The sale of securities by private investors themselves was not prevented—indeed it was even encouraged, as it obtained the same end — namely, means of payment for American munitions and supplies. These sales, together with the credit and Anglo-French war loan of 1915 were sufficient to stabilize exchange until June.

The Gold Movement.

A study of the figures of gold importations into Canada and the United States during the past year is especially interesting. The accompanying table gives the figures quite fully.

As compared with the latter part of 1915, there was very little movement of gold to the United States, down to June; indeed, in February, March and April, the States exported more than she received. Canada at that time received considerable quantities of gold, especially in January and February. In May, however, a change began and the States received about $12,000,000, and thereafter she has been importing gold in remarkable quantities. During this time Canada has been exporting a considerable quantity of gold. Doubtless there is some connection between the two, but Canada's exports and imports are not sufficient to explain the entire movement of gold to and from the United States.

Another Loan.

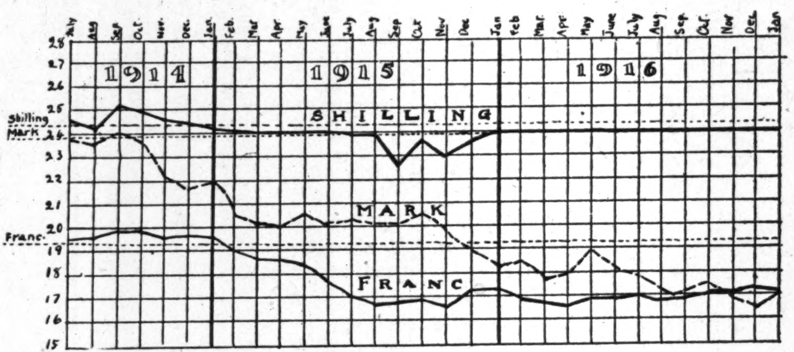
In July, too, there was a rumor of a new fully secured loan to be floated for both the French and British Governments. This had a reassuring effect on the market. In August the newly formed American Foreign Securities Company loaned France $100,000,000 on condition that it would be repaid in three years and on security of Government securities of neutral countries, Suez Canal Company's shares and American issues. In September, an English loan for $250,000,000 was sold by J. P. Morgan and Company, covered by American railroad, industrial, and municipal securities, by bonds of the Dominion of Canada, and by bonds of neutral countries. By this time the American foreign exchange buyer had reached the conclusion that the Allied Governments can continue to maintain exchange rates. When peace news came in December, it had only a slight effect and more on German exchange than on others.

Russia and Italy employed about the same methods as France and Great Britain to maintain exchange, though not with as great success. In fact at the end of the year roubles are at a discount of 41.3 per cent. and lires at 31.2 per cent.

They have raised loans chiefly from the banks for payment for munitions and supplies, though some of the internal Russian loan was sold in America and the Russian Government sold $50,000,000 of an external loan in America.

Marks and Kronen.

The German Government and German financiers have had to face the decline in marks. A sharp decline from April to the present time when they are down to 66.12½ representing a discount of 24.4 per cent. against a discount of only 2.2 per cent. for sterling and 12.5 per cent. for francs. Exchange with Vienna is at a discount of 38.3 per cent. Efforts have been made in Germany as in Russia to fix exchange rates arbitrarily, but without success. This may steady the rates somewhat, but it does not raise the rate at a time when Germany cannot settle her foreign debts with gold or by exporting merchandize.



This chart shows the trend of the mark, franc and shilling since July 1, 1914. The shilling is worth, at par, 24.33 cents; the mark 23.81 cents, and the franc 19.3 cents.

The Canadian Situation.

Exchange between Canada and New York has been more irregular than between Great Britain and New York in 1916. After the New Year, New York funds went to a premium in Canada ranging as high as ¾ per cent. in February. This indicates that Canada owed New York money, and those who wished to pay bid up New York funds. Some relief from this situation was secured by the sale of the $75,000,000 loan in March and from time to time by the sale of municipal and provincial securities. From April 1 to Sept. 1, the rates varied around a premium of ¼ to ⅜ per cent., but since the movement of the crop set in the rates have fallen to around par., as they did in 1915, and as they usually do.

In another section of this number of THE POST reference has been made to Canadian imports of luxuries. If Canada does not want her exchange rates to go against her, if she does not wish American exporters to get the benefit of favorable exchange rates, if she does not wish to pay heavily for her imports, the obvious thing to do is to discontinue the importation, thus assisting in the maintenance of her own exchange rates, helping finance British war orders in America, and thus incidentally helping the sterling exchange rates as well.

One interesting feature of the exchange situation—one not generally recognized as an exchange problem—is the fact that the Canadian Government and Canadian banks have helped to finance British war orders in Canada. Since Canada deals in exchange through New York, this helps to maintain the pound sterling; otherwise there would be even more London exchange in New York. But it also means that Canada's exchange relations with New York are less favorable than they would be if New York owed Canada for British payments for Canadian supplies. That is, New York funds in Canada are at a greater premium than if New York owed Canada more. This is, however, an advantage to the Canadian exporter, who gets par or more for his British payments. It is a disadvantage to the importer, especially the importer from the United States who has to pay a premium for New York funds. But this obviously has its advantages, an advantage with which Sir Thomas White has not generally been credited.

Dollar Exchange.

It is important to remember, too, that a year or two ago there was scarcely a market in New York for South American or Russian exchange, and, therefore, if the United States had to pay South America money, it had to buy South American exchange in London, paying for it in sterling—may be at a premium. The greater part of the world's exchange business was done through London. Dollars had to be converted into sterling funds and reconverted into pesos, sucres, milreis, bolivars, etc., and vice versa. This was a costly procedure and a different one. But now since the Federal Reserve Act has enabled American banks to open branches abroad a direct market in South American exchange has developed. To-day New Yorkers can buy checks on Buenos Ayres without first having to buy checks on London. This is, of course, an advantage for Canadian industrial exporters to South America as well as to Americans. Petrograd exchange is developing similarly, but it will be some time before it will be a broad exchange market. That one has developed at all in 1916 is a significant fact for the future of American and also Canadian export trade.

Future of Exchange.

It may be expected that the warring countries will have to put forth additional efforts to support exchange rates. If Germany cannot pay in gold or in goods, fortunately for her she is not able to contract new debts abroad. Financially it is a good thing for Germany in the long run that she cannot import goods or sell securities to advantage abroad. She has to live within herself. It is also probable that Great Britain and France will try to do with less of American goods. Our American neighbors are apt to become increasingly sceptical about the security of British loans, and the supply of American securities will not last forever. In fact, over half have been sold back to America. If the foreign exchanges go against Europe worst than at present, importing from America will become very expensive. It is for this reason that Great Britain is bending every energy to produce as large a proportion of her munitions and war supplies and even food at home.

IMPORTS AND EXPORTS OF COIN AND BULLION INTO UNITED STATES.

	Exports	Imports	Surplus or Deficit
1915—			
November	$ 9,632,086	$ 64,357,746	— $ 54,725,660
December	18,720,150	48,015,578	— 29,295,428
1916—			
January	14,849,473	16,860,174	— 2,010,701
February	18,631,171	8,612,429	+ 10,018,742
March	16,521,872	12,656,501	+ 3,865,371
April	16,358,718	8,297,957	+ 8,060,761
May	18,130,527	30,046,727	— 11,916,200
June	12,956,232	125,917,379	— 112,961,047
July	13,731,633	64,533,447	— 50,801,814
August	17,595,652	43,756,042	— 26,160,390
September	13,378,688	95,442,521	— 82,063,833
October	13,070,124	100,400,586	— 87,330,452
November	......	......	......
	$183,576,436	$618,897,088	— $435,320,652

IMPORTS AND EXPORTS OF COIN AND BULLION INTO CANADA.

	Imports	Exports	Surplus or Deficit
1915—			
November	$ 4,705,933	$ 9,865,896	+ $ 5,159,963
December	9,429,288	101,342	— 9,327,946
1916—			
January	11,716,848	112,736	— 11,604,112
February	2,109,968	116,288	— 1,993,680
March	531,383	192,274	— 340,109
April	464,789	71,619	— 393,170
May	632,369	156,783	— 475,586
June	388,738	27,182,099	+ 26,792,361
July	404,102	14,232,189	+ 13,828,087
August	17,721,634	32,344,620	+ 14,622,986
September	578,686	151,604	— 427,082
October	781,115	5,037,078	+ 4,255,963
November	......	......	......
	$ 49,464,852	$ 89,564,528	+ $ 40,099,675

Banking Review as a Guide to the Investor

BANKING figures and the advice of bankers are the best guides at the disposal of the Canadian investor in securities, just as the New York Bank Statement is the best guide in the United States. As Canada's banking figures are published but once a month chief reliance should probably be put on the banker's advice.

In the first place their is practical agreement among bankers in respect of the business outlook. This is not due to formal agreement but rather to the fact that each bank manager or president receives from his branch bank managers all over the country information regarding the country's condition. They come to their conclusions independently. Hence their value. As a result Canada holds a bankers' opinion of the trend of business. Contrast with this the situation in the States where bankers in the West may disagree with bankers in the East. In Canada if there is excessive speculation in any part of the country or if there is a depression in any section or in any industry all of the bankers learn it. Consequently the banker in Canada is not a mere money lender—he is a source of valuable information about conditions the country over.

The Bank Statement.

While the monthly bank statement is not a substitute for the banker's advice which the borrower or investor may have from day to day, it does, however, give an idea of the trend of business conditions; indeed its greatest value may be its service to the bankers themselves in helping them form opinions. There might be good reason for a weekly bank statement in Canada but certainly we could not well do without the monthly statement.

The Statement Interpreted.

The accompanying table does not show all the details of the monthly statements. On the assets side it summarizes the different kinds of reserves, securities held, loans to Governments, interbank balances, and "other assets." On the liabilities side it summarizes government deposits, due home banks, due abroad, and "other liabilities." These items are summarized because they are either unimportant or because the total e.g., in case of reserves, is more important than the individual items.

Reserves.

From the investor's point of view, especially the investor who wishes to borrow from the banks on security of collateral, the item reserves is very important because it indicates the capacity of the banks to loan. If reserves are declining the banks will be inclined to curtail loans on commercial paper and especially and first to call loans on stocks and bonds. It is the stock market that usually suffers most when cash declines.

Cash reserves consist of current gold, and subsidiary coin held in Canada and elsewhere, Dominion notes, the deposit in the central gold reserves and funds due from banks in the United Kingdom, the United States and elsewhere. Altogether there has been very little change in the total over November, 1915, though there has been some disturbance throughout the year. There have been increases in several individual items and decreases in Dominion notes and in bank balances in New York as the following table shows:

	Nov., 1915.	Nov., 1916.	Change.
Gold and Coin—			
Total	$ 71,359,656	$ 82,563,868	+ $11,174,212
In Canada	41,831,732	46,810,358	+ 4,978,626
Elsewhere	29,527,921	35,753,507	+ 6,225,586
Dominion Notes—			
Total	$140,751,333	$118,842,892	— $21,908,441
In Canada	140,735,415	118,823,635	— 21,911,780
Elsewhere	15,916	19,255	+ 3,339
Gold Reserves	15,100,000	43,300,000	+ 28,200,000
Deposit With Minister	6,770,645	6,856,837	+ 86,192
Due From Banks in U.K.	31,741,522	27,268,638	— 4,472,884
Due From Banks Elsewhere	55,431,455	48,423,944	+ 12,992,489

There is indeed very little to indicate that Canadian banks have the cash or liquid resources to warrant the increased loans to investors on the stock markets in Canada and New York and to merchants and manufacturers at home and abroad. It is interesting to note, however, that the banks have more gold and less dues from elsewhere which is an improvement. Deposits in the central gold reserves have increased, as they always do when the excess circulation grows.

Secondary and Other Reserves.

Securities held by the banks together with call loans in New York and on Canadian markets are usually regarded by the banks as secondary reserves of the banks. It is true that call loans in New York can be curtailed without much injury to the Canadian markets. Loans on the Canadian stock markets do not fluctuate widely as our table and diagram shows. Call loans in New York have increased considerably during the year though there has been some curtailment in November and December. Securities held have greatly increased from $121,000,000 to $260,000,000. This is not due to an increase in municipals for the banks are not and probably will not be buying municipals for some time to come. It is due to the financing of the munitions orders in Canada which are piad for in British Exchequer bills of short date and renewable. There has, of course, been an increase of holdings in Dominion Government issues for the banks have not yet disposed of all of their purchase of war loans. Securities should be regarded as an initiatiary reserve rather than secondary.

Other Loans.

Current loans in Canada have, of course, been increasing though they have fluctuated considerably. In the month of December they crossed over the $800,000,000 mark. Current loans elsewhere are not very important though increasing in amount. Loans to the Governments consist chiefly of loans to municipalities.

Liabilities.

The capital of Canadian banks is less than a year ago, by reason of an amalgamation last March. The "rest" increases from time to time. Circulation has been growing fairly steadily. It always increases in the crop moving time and decreases in the winter and spring. This last spring it declined less than usual and this autumn it is about $24,000,000 more than usual.

Demand and Time Deposits.

Demand deposits in Canada have been growing throughout most of the year and have advanced by $50,000,000. Time deposits have in the meantime increased by $120,000,000.

Demand Deposits and Current Loans.

In the United States demand deposits are usually slightly more than current loans but in Canada there would seem to be a closer relation between time deposits and current loans, at least in volume. There is, of course, little relation between the two. The proceeds of loans and discounts are to some extent deposited in time accounts in order to get the benefit of the savings bank rate, but the explanation of the divergence depends on combining other factors with demand deposits in Canada in order to make up the total of current loans in Canada. The diagram showing current loans and time deposits proves only a casual and somewhat erratic relation between the two, if indeed there is any relation at all.

Other Items.

Other items in the summary are not important. Deposits abroad have increased also dues abroad and due home banks. Total assets have increased by $250,000,000 and total liabilities by about the same amount. This indicates expansion of Canadian banking business and the increase in gold shows some increase in the best form liquid assets.

ASSETS.

Month	Reserves	Securities	Loans in Canada Call	Loans in Canada Current	Loans Abroad Call	Loans Abroad Current	Loans to Governments	Interbank Balances	Other Assets	Total Assets	Average of Dom. Notes Held	Average of Gold Held
November	$321,154,611	$121,947,098	$83,203,562	$777,162,563	$135,530,562	$53,240,955	$50,698,022	$ 82,256,403	$76,993,424	$1,702,194,396	$139,059,851	$61,793,830
December	340,477,879	122,495,227	84,228,155	775,517,947	137,157,869	58,479,739	49,854,476	94,047,881	75,772,902	1,737,992,244	146,295,784	64,652,482
January	336,730,880	139,441,237	82,584,659	758,500,492	134,248,552	61,986,845	47,093,679	74,518,628	75,528,972	1,710,734,153	150,978,714	67,072,604
February	331,253,776	142,184,988	81,909,125	760,873,181	139,138,651	56,099,719	50,119,773	77,531,636	76,173,674	1,715,324,703	155,750,346	65,363,995
March	329,542,945	141,335,035	81,747,512	770,139,526	141,889,986	52,705,827	43,346,504	69,112,348	76,017,182	1,705,836,897	154,686,097	68,179,543
April	372,262,322	190,638,037	82,527,448	777,764,682	147,146,443	57,008,965	48,513,010	76,026,314	74,494,237	1,825,381,642	152,933,026	64,607,807
May	348,398,790	206,641,362	84,826,636	763,136,917	163,406,059	59,600,342	47,685,733	78,970,809	74,885,098	1,827,552,131	150,962,489	64,471,142
June	329,569,058	218,416,158	86,776,474	747,470,541	182,757,015	60,081,584	48,132,177	89,965,207	75,179,838	1,836,347,821	147,622,880	63,637,554
July	336,390,516	238,900,428	87,355,648	740,040,741	177,121,733	62,356,259	48,464,861	84,578,431	76,057,811	1,841,266,589	145,249,781	65,628,551
August	321,477,143	253,657,061	86,351,216	739,938,513	171,380,353	66,556,371	48,309,541	77,255,852	74,969,571	1,840,895,799	143,818,558	65,580,482
September	328,517,720	260,429,326	88,145,851	752,545,756	173,877,586	69,949,215	50,646,456	84,190,275	76,302,363	1,893,604,732	143,691,045	65,472,274
October	333,195,477	270,140,096	90,413,023	774,928,222	189,346,216	79,459,621	51,818,925	103,356,976	77,283,122	1,968,940,280	136,168,677	65,642,585
November	327,256,179	260,401,972	89,395,370	813,791,947	183,250,389	76,087,370	50,698,022	96,182,192	73,615,689	1,957,511,502	135,519,070	67,784,303
December												

LIABILITIES.

Month	Circulation	Rest	Government Deposits	Deposits in Canada Demand	Deposits in Canada Time	Deposits Abroad	Due Home Banks	Due Abroad	Capital	Other Liabilities	Total Liabilities	Greatest Am't of Notes Are
November	$124,153,685	$112,718,473	$36,001,548	$406,735,171	$714,219,286	$132,029,108	$15,444,932	$23,271,194	$113,987,275	$ 9,345,923	$1,463,200,922	$130,400,298
December	122,199,582	112,457,333	47,116,866	423,690,384	720,990,267	134,650,183	17,930,343	24,304,765	113,987,577	8,401,226	1,499,283,690	132,680,244
January	111,029,572	112,457,333	88,808,994	387,002,926	714,264,486	120,534,966	14,203,819	27,508,018	113,989,854	7,614,690	1,470,787,653	123,224,868
February	113,528,237	112,457,333	72,340,010	389,825,667	728,292,609	116,675,208	13,794,045	29,258,526	114,216,719	9,335,899	1,473,000,010	115,301,997
March	114,804,604	113,022,933	47,776,899	389,165,388	738,169,212	120,678,959	10,396,880	31,263,242	112,815,581	10,570,049	1,462,825,316	119,037,046
April	119,233,330	113,022,933	45,223,292	402,060,455	748,359,957	192,041,591	8,832,866	34,401,597	112,823,898	9,734,419	1,583,923,584	123,967,733
May	114,877,323	113,022,933	43,924,857	412,301,481	765,064,041	187,415,780	8,976,067	31,696,352	112,832,765	10,003,727	1,586,887,680	121,932,399
June	123,373,395	113,022,933	48,736,773	428,117,340	767,598,130	176,922,950	9,289,962	31,729,641	112,846,435	9,356,794	1,596,154,315	124,850,445
July	123,538,451	113,022,933	35,264,128	431,958,188	784,363,919	171,167,615	10,235,678	28,332,913	112,852,038	7,847,236	1,590,119,609	129,225,475
Augusct	122,656,083	113,022,933	36,018,762	443,317,275	806,774,687	140,789,100	10,788,514	28,945,969	113,018,937	7,436,011	1,596,526,473	129,824,206
September	135,285,031	113,022,933	48,045,813	454,148,049	916,374,171	149,744,985	10,910,150	25,256,569	113,025,545	8,011,898	1,647,776,748	135,438,550
October	145,031,667	113,022,933	67,248,201	489,230,234	814,297,404	166,200,928	9,886,295	26,770,688	113,030,878	9,238,507	1,722,696,994	147,132,673
November	148,197,971	113,293,018	63,271,032	459,277,454	836,593,269	162,207,247	8,955,789	28,078,962	113,305,244	9,633,128	1,716,214,929	156,971,068
December												

BIG YEAR IN FISH.

Catches of 8,000,000 Pounds Represent Biggest Year in Industry.

Eight hundred million pounds of fish, representing an investment of $38,000,000 in the industry, were caught in Canadian waters during the past year, according to a statement made by Alfred H. Brittain, of Montreal, director and general sales manager of the Maritime Fish Corporation, Limited. The Canadian fishing industry has never been so prosperous as at present, and this is due largely, it is claimed, to the fact that the people are using fish more liberally to replace meat and other foodstuffs.

The business, which has been called the backbone of Canadian industries, is being encouraged and stimulated, and within a short time the general equipment is expected to represent an investment of $50,000,000. Overseas shipments of fish for the Canadian troops, ordered by the Militia Department at Ottawa, and shipments for the English troops, have helped to stimulate fishing.

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Investments of January Funds

Government and Municipal Bonds

		Maturing	To Yield
Dominion of Canada (War Loan)	5%	1931	Price on application
City of Toronto	5%	1926-1940	5%
Province of Saskatchewan	4½%	1919	5.30%
Province of Saskatchewan	4%	1923	5.30%
Town of North Bay	6%	1921-1938	5⅝%
Municipality, Point Grey, B.C.	5%	1953	6%

Full particulars on request

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The Movement of Wages and Prices

Steep Advances in Food Prices as Result of General Crop Shortages—Coal Rose Sharply and in Some Cities Rents Were Higher—Increases in Wages as High as 50% Over 1914 Noted, and 10% is Common; Average Perhaps 15%.

By C. W. Bolton, Department of Labor.

THE year was marked by steep advances in food prices, the chief causes of which appeared in the crop shortage in nearly all parts of the world and in the increased demand for war supplies as the conflict extended, absorbed the energies of more men, required more food for the armies and reduced the number of food producers, although this was partly offset in many countries by the increased labor of women. One very important item in the increased cost of food was the high price of potatoes, the crop of which was short not only in Canada and the United States, but in Great Britain and Europe. This usually comparatively cheap food rose to prices which made its use impossible for many and exerted a great influence in raising the levels of food prices index numbers, owing to its great importance in family food budgets. It should be noted that during the 1914-1915 season potatoes were very plentiful in most countries and comparatively cheap, tending to offset the higher prices of many other foods. Butter, cheese, milk and eggs were also steeply upward, while bread and flour reached record prices following the shortage in wheat crops Meats continued high with some decreases as stock was marketed extensively in some districts owing to the scarcity of feed. This, of course, indicates still higher prices for meats later. Prices of clothing, boots, and household supplies have also risen greatly as raw materials advanced steeply while coal has become scarce and high, owing to great demands for munition plants, other factories, railways, etc., and a shortage of labor in the mines. Statements as to manipulation of supplies and prices have come under investigation by the United States Government. Wood advanced owing to the increased demand and a shortage of supply and labor for cutting and transportation.

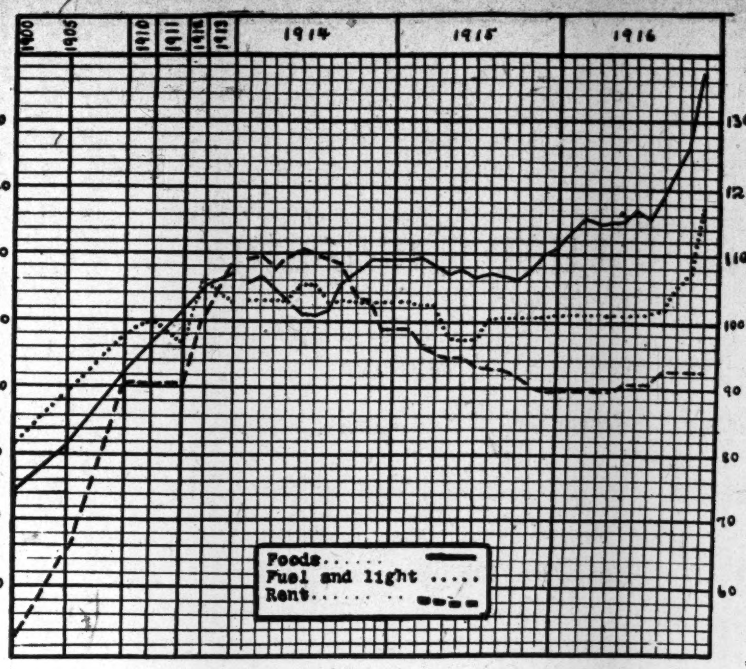
Such great increases in the cost of the necessaries of life make it necessary for wages to rise if the standard of living of the great body of the people is not to be lowered with disastrous results to the efficiency of industrial machinery as well as to the progress of the country and the prosperity of the people as a whole. In Canada there is as yet no means for measuring the general movement of wages definitely and promptly from time to time as is done by the prices records, wholesale and retail, of the Department of Labor. Since 1902, however, all changes in rates of wages and hours of labor reported to the Department have been published quarterly in the *Labor Gazette*, with tables giving much information. "Doubtless there are changes which escape notice and the record does not include those far-reaching movements affecting individuals which are frequently in the aggregate an important consideration, i.e., it includes only such changes as involve a group of employees. The record, however, enables a fairly definite idea to be obtained of the current movement among the larger aggregations of workpeople."

Table No. 1, showing number of changes in wages and number of employees affected each year, 1903-1916, as reported quarterly in the Labour Gazette:

	Increases. No. of changes	Increases. No. of employees affected	Decreases. No. of changes	Decreases. No. of employees affected
1903	140	38,071	3	1,463
1904	92	12,855	9	11,423
1905	122	15,562	8	6,226
1906	123	89,888	3	215
1907	180	98,689	19	19,035
1908	35	6,127	30	34,782
1909	46	29,667	4	355
1910	95	32,867	..	460
1911	119	45,184	1	784
1912	712	52,997	1	359
1913	134	51,378	1	1,267
1914	47	17,795	30	5,597
1915	32	14,787	20	1,050
1916*	*122	*80,478	*1	*165

*Eleven months only.

It is, therefore, possible to consider the changes reported during 1916 as compared with advances in prices, and in the light of corresponding changes in previous years. In the report of the Board of Inquiry into the cost of living (appointed in December, 1913), published in February, 1916, comprehensive statistics on prices and wages with analyses were given by R. H. Coats, then editor of the *Labor Gazette*, and Chief Statistician of the Department of Labor, now Dominion Statistician and Controller of Census. It is usually found that wages follow prices in the upward movement, as it is usually some time before workmen can obtain higher pay to meet the increased cost of living (or as labor's share of the prosperity which higher prices usually indicate) and by that time, or soon after, prices have often advanced again, part of the further advance being considered by some economists to be the result of the previous advance in wages. As statistical practice is a comparatively recent development it is never claimed for such comparisons and the figures on which they are based, that they do more than show the main trend and salient facts of the movements described. Further, no statistics of unemployment are included in the calculation and actual earnings are often greatly reduced by unemployment, more or less temporary, or partial, short time, etc.



THE SHILLING, THE MARK, AND THE FRANC.

This chart shows the value of the shilling, the mark, and the franc, at the end of each month in cents. At par the shilling is worth 24.33 cents, the mark is worth 23.81 cents, and the franc 19.3 cents. At current rates the shilling (1-20 of a pound) is worth a mark at par, and the mark is worth the franc at current rates. It is quite clear that the marks have suffered much more than London or Paris exchange.

Advance of Prices.

From Chart No. 2 it can be seen that prices of foods advanced after 1913, there being, as is usual in Canada, a considerable drop in the spring and summer months, with a corresponding rise in the autumn and winter. In 1914 this was accentuated by war conditions, potatoes being the only commodity included which was appreciably lower. In 1915 the summer decline in food prices was much less than is usual and the level at the end of the year was higher than in December, 1914, and prices were still advancing. The crop shortage in 1916 was followed after July by a steep rise, while coal advanced steeply and rent was rising in some cities.

Rise of Wages.

Meanwhile, as is shown in Table No. 1, the upward movement in wages had to a great extent ceased, in the last quarter of 1914 there being only four increases reported, affecting only 29 employees, while the number of decreases in wages reported had risen to 27, involving 4,172 employees. In addition, partial or complete unemployment for many had further reduced earnings. It is commonly accepted as a fact that wages do not fall in hard times to the extent that prices fall, but the figures in Table No. 1 for 1907, 1908 and 1914 indicate comparatively extensive decreases, although these may be chiefly in trades affected by a floating labor supply. Also, at such times, in some trades it is possible to divide the employment among the workers and this entails greatly reduced earnings even when the rates of wages are unchanged. Rents, however, were falling considerably in many cities. In some cases families gave up their houses and took rooms, or two families would live in one house. In 1915 improvement was steady and decreases in wages soon ceased except in isolated

Continued on page 24.

TABLE NO. 2.—THE NUMBER OF CHANGES IN WAGES, AND THE NUMBER OF EMPLOYEES AFFECTED IN EACH QUARTER, 1914-1916, AS REPORTED IN THE LABOR GAZETTE.

Quarter. / Trade or Industry.	1914 1st No. of incr's and decr's	1914 1st No. of employees affected	1914 2nd No. of incr's and decr's	1914 2nd No. of employees affected	1914 3rd No. of incr's and decr's	1914 3rd No. of employees affected	1914 4th No. of incr's and decr's	1914 4th No. of employees affected	1915 1st No. of incr's and decr's	1915 1st No. of employees affected	1915 2nd No. of incr's and decr's	1915 2nd No. of employees affected	1915 3rd No. of incr's and decr's	1915 3rd No. of employees affected	1915 4th No. of incr's and decr's	1915 4th No. of employees affected	1916 1st No. of incr's and decr's	1916 1st No. of employees affected	1916 2nd No. of incr's and decr's	1916 2nd No. of employees affected	1916 3rd No. of incr's and decr's	1916 3rd No. of employees affected	1916 †4th No. of incr's and decr's	1916 †4th No. of employees affected
Building	..	550	9	498	1	186	..	....	..	....	..	....	..	....	..	....	..	....	..	....	..	....	..	....
	..	....	..	....	*1	*4	*5	*455	*7	*244	4	95	*1	*4	..	....	2	94	7	835	4	735	..	....
Metal and Engineering	..	....	..	....	..	....	..	....	1	56	..	....	..	....	..	....	..	....	..	....	..	....	..	....
	*1	*550	4	542	*1	*1,200	*5	*1,205	*2	*300	2	2,500	4	291	..	....	4	1,790	4	4,154	3	685	1	4,000
Woodworking	..	....	..	....	..	....	*1	*30	*1	*17	*1	*25	..	....	..	....	..	....	..	....	..	....	..	....
Printing	3	345	..	....	1	90	..	....	2	103	..	....	1	300	..	....	2	170	2	300	1	90	2	250
Clothing	..	....	..	....	..	....	..	....	..	....	..	....	..	....	..	....	..	....	1	317	1	25	..	....
Food and tobacco preparation	2	570	1	75	..	....	..	....	..	....	..	....	..	....	..	....	..	....	1	375	1	70	..	....
Miscellaneous	..	....	1	125	..	....	4	29	..	....	..	....	..	....	..	....	..	....	..	....	..	....	..	....
	..	....	..	....	..	....	*2	*175	*1	*47	..	....	..	....	..	....	1	504	2	7	..	....	1	100
Municipal employees	5	129	4	2,274	1	9	*7	*977	*1	*54	*1	*299	..	....	..	....	*1	*165	1	24	6	421	4	335
	..	....	..	....	..	....	..	....	2	2,017	3	117	..	....	..	....	1	30	..	....	..	....	..	....
Mining	3	5,200	..	....	..	....	*1	*300	..	....	1	60	1	5	3	6,630	5	10,980	5	10,980	5	8,222	8	9,000
Lumbering	..	....	..	....	..	....	..	....	..	....	..	....	3	350	..	....	..	....	1	40	..	....	..	....
Steam railway	2	4,000	..	....	..	....	..	....	..	....	..	....	..	....	..	....	1	53	8	992	5	8,320	5	15,000
Electric railway	..	....	1	16	1	450	..	....	..	....	..	....	..	....	..	....	1	15	6	256	2	750	1	100
Transportation, general	..	....	..	....	..	....	..	....	..	....	..	....	..	....	..	....	4	2,082	5	415	..	....	1	1,700
Textile	..	....	..	....	..	....	*1	*850	..	....	..	....	..	....	..	....	1	7,000	..	....	..	....	..	....
Unskilled labor	*1	*75	3	3,253	..	....	*1	....	..	....	*2	2,075	3	195	..	....	..	....	1	17	3	125	..	....
Increases, total	15	10,244	23	6,783	4	735	4	29	5	2,176	1	4,837	12	1,144	3	6,630	17	11,738	45	18,812	31	19,443	†23	†30,485
Decreases, total	2	625	..	....	2	1,204	27	4,172	12	662	3	384	1	4	..	....	1	165	..	....	..	....	..	....

*Decreases. †October and November only.

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Due to other Banks	733,608.42
Due to Agents in United Kingdom	49,707.00
Due to Foreign Agents	591,307.66
Acceptances under Letters of Credit (as per contra)	1,022,895.00
Other Liabilities	175,817.50
TOTAL	$96,403,298.38

ASSETS.

Specie and Dominion Notes	$11,971,088.42
Deposit in Central Gold Reserve	2,500,000.00
Deposit with Dominion Government re Circulation	375,000.00
Notes and Cheques of other Banks	5,843,474.99
Due by other Banks	2,635.33
Due by Agents in United Kingdom	865,121.31
Due by Foreign Agents	2,507,153.17
Call Loans	11,264,832.09
Government, Railway, Municipal and other Bonds	16,755,975.48
	$ 52,085,280.79
Loans and Discounts	51,232,596.06
Overdue Debts (temporary)	214,211.22
Loans to Cities, Towns, Municipalities, etc.	1,306,177.77
Real Estate and Mortgages	290,165.71
Bank Premises	4,660,620.16
Liabilities of Customers under Letters of Credit (as per contra)	1,022,895.00
Other Assets	155,892.34
TOTAL	$110,967,839.05

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Canada's Borrowing on Sound Basis

Continued from page 19.

went to a premium, as it soon did, it turned out that municipal securities did not fall in price as much as was expected. It is probable that the war loan might have been issued to yield the investor a lower rate, thus saving the Government money and avoiding disturbance of the market for other securities.

The chief reason for doubling the issue lay in the fact that the Imperial Government was at this time having difficulty, owing to adverse sterling exchange rates, in making payment for munitions and other orders placed in Canada. In order to assist in overcoming this difficulty and to facilitate further purchases in Canada, the Canadian Government placed the sum of $50,000,000 to the credit of the Imperial Treasury, for the payment of obligations in connection with munitions.

Financing Third Year of War.

By the time the Finance Minister was ready to present his budget in February of 1916, it began to appear that the war would last for a considerable time and that the cost would be very heavy. There was abroad a good deal of discussion of the advisability of imposing drastic taxation on war profits and on incomes. Mr. White adopted this principle to some extent by putting into effect a system of taxing war profits of corporations. But $250,000,000 had to be provided for the war and $170,000,000 for expenditures on consolidated fund account, including an increasing pension list and a rapidly increasing payment of interest on the debt. The increase in taxation could not be expected to be and never was intended to be adequate to meet expenditures.

As early as January 31, 1916, provision was made to permit the Finance Minister to borrow $75,000,000 to pay maturing loans and obligations in Canada for carrying on public works and meeting expenditures for general purposes.

In New York Again.

The almost immediate result was the sale late in March of $75,000,000 of bonds in New York, maturing in three instalments of $25,000,000 each in 5, 10, and 15 years respectively. The five-year bonds were offered at 99.56, yielding about 5.10 per cent., the 10-year bonds at 97.13, yielding about 5⅜ per cent., and the 15-year bonds at 94.94, yielding about 5½ per cent. The loan was a great success, especially as the five-year bonds sold at a rate to yield less than the Anglo-French loan, and as the average yield on the three loans was 5.36 per cent. against an average of 5.45 per cent. for the Anglo-French loan, and as the domestic loan in November had sold to yield nearly 5.5 per cent. Furthermore, this loan was three times as large as the largest loan the Dominion Government had ever attempted to float publicly in London. It was also important that in contrast with the Anglo-French loan, the Canadian loan reached the hands of permanent investors. Another interesting feature was that the long term bonds were contrary to expectation, in great demand. The fifteen-year bonds had the biggest call in New York. The success of the loan greatly helped Canadian credit in New York, and in the course of a few weeks, instead of going to a discount the fifteen-year bonds were actually selling at a premium (102¼). Probably no other factor has ever helped so much to made the United States Canada's source of capital.

Second Domestic War Loan.

The conspicuous success of the first domestic war loan, however, encouraged the Government to hope that a large portion of its requirements could in 1916-17 be raised at home, especially if production continued to increase, and if strict economy and thrift were exercised by both the Government and the people. By this time the country had become very prosperous. It was enjoying the effects of the bumper crop of the previous year, and confidently looked forward to a valuable, even if small, crop in 1916. Moreover, the purchases of munitions and war orders were having their inevitable effect, and the people generally were learning the investment habit. Accordingly the announcement was made some time in advance that a second domestic loan of $100,000,000 of 5 per cent., fifteen-year bonds would be offered in September, and the people were urged to save in anticipation. In September the loan was offered at 97½, to yield about 5.30 per cent. Subscriptions were payable, 10 per cent. on application, 30 per cent. on each of the 15th October and 15th November, and 27½ per cent. on December 15. The result was that over 30,000 persons subscribed for $204,000,000, not including what the banks had agreed to take if necessary. It was, of coures, necessary to cut the allotments, especially for large subscriptions, very heavily. The cutting was a disadvantage to those bondholders who had bulked their subscriptions and put them in in their own names, for the cut was heavier. Furthermore, it was impossible to discriminate between those who really wanted all of their subscriptions and those who had subscribed for patriotic reasons alone. The loan did not sell to any great extend in the United States, because interest and principal were not payable in New York, and exchange would have been unfavorable to the purchaser, except in cases of large bond houses, which could arrange a par of exchange. This 15-year loan brought again what had been discovered before, that most investors preferred the long term loan. Incidentally, the success of the loan encouraged Mr. White to arrange with the banks (whose subscriptions were not needed) for an additional credit of $50,000,000 for the Imperial Government's purchases of munitions and supplies.

Five Per Cent. Debentures.

In order to promote saving among the public and to afford a ready means of remunerative investment in Dominion securities for funds seeking investment during the intervals between public offerings, the Government has offered for sale from time to time in principal sums of $500 and multiples thereof, debenture stock, repayable in three years, and convertible into payment for future war loans, from the date of issue, bearing interest at 5 per cent., payable half yearly by check, negotiable at any branch of any chartered bank in Canada without discount. Very little has however been sold.

White's Answer to Critics.

There has been, as has been suggested, a good deal of public discussion and parliamentary debate about the proper method of financing the war. On this point Sir Thomas White has the following to say: "Obviously in a war such as this it is impossible to defray all the costs out of taxation. It is not practicable for all nations to adopt the same policy or for one nation to use the same policy at all times."

According to Mr. White: "If a country has much accumulated wealth a policy of drastic taxation would appear to be advisable. With a country like Canada, rich in potential resources, certain of future development and great expansion, of production and population, but without at present large accumulations of wealth, it would appear that we are justified in placing upon posterity a greater portion of the financial burden of the war waged, as it is, in the interests of human freedom. Canada in future years of peace, with the prosperity that will be her heritage from the development of unbounded resources, will be well able to meet the interest and sinking fund charges upon such debt as we shall be obliged to incur in defence of her country and her liberties. Even though Canada's war debt amounted to $500,000,000, the interest would be only $25,000,000 which Canada could easily pay out of her future revenues—together with a sinking fund—especially if the Government practised economy."

There is a point that never should be forgotten. As Canada's most prominent banker pointed out to the writer, no country that buys the bonds of its Government can be ruined. Countries get into serious difficulty only when they borrow too heavily from abroad.

Taxation Called For.

At the same time Canada ought to pay as much as possible during the war. The country is prosperous with war time profits. It may be that the country is wealthier by reason of the war. That opinion is remarkably prevalent. It is a rather sound principle that this generation should not get wealthy or spend luxuriously out of war profits while the national government goes deeply into debt, leaving future generations to provide the taxes. But doubtless the Finance Minister has already made up his mind in favor of taxation that will curb some of the luxurious expenditure referred to in another column of this number of the POST. The investor can, however, rest assured that reasonably good sources of taxation will remain untaxed. Even though Canada's war debt should amount to $500,000,000, the interest would be only $25,000,000, which, according to the Finance Minister, Canada could easily pay out of her future revenues. Of course, it must be remembered that revenues will probably not be as great immediately after the war as they will be during the war, but they will probably be greater than before the war to an extent sufficient to meet interest on the debt together with ordinary expenditures. There is no danger of Canada defaulting on or even postponing payment of interest or principal. War taxation would of course protect the interest of the investor in the securities the Dominion has already issued.

The Government has, wisely, we think, issued most of its bonds for fairly long periods. Mr. White holds that it is preferable to face a higher rate of interest for a long time loan than to face the necessity of paying off or renewing short time issues during the war or immediately after it, when the Government may be hampered in its financing by the possible trying conditions of recuperation and reconstruction.

A Sound Investment.

So far as the immediate investor is concerned, the war loans of the Government have the additional advantage of being marketable. The first domestic loan is listed on the stock exchanges; the second is being dealt in on the curb. There are reports, too, that considerable volumes of both securities are changing hands via the medium of the bond houses. One has not necessarily locked up his funds by buying war loans. In any case the first loan and the debenture stock are convertible into future war loan issues. Fundamentally, of course, the value of our Dominion securities depends on the wealth which the Dominion may tax. On this subject we have little to say when so much could be said. There is only one answer on this point. The prospects for industrial and agricultural development of Canada speak for themselves.

DYESTUFFS IN U. S.

Buffalo Concern Was Pioneer in Replacing German Products.

The great bulk of dyestuffs consumed in America to-day are manufactured on this side of the Atlantic. A most important industry has thus sprung up in replacing color supplies which formerly came from Central Europe. The J. P. Divine Company, of Buffalo, is given credit for doing pioneer work in building up the new industry in the United States. It so happened that this concern had such connections abroad that put them in possession of information pertaining to the development of this industry in Germany. When this drastic situation confronted the manufacturers and it was absolutely necessary to take care of their requirements locally, a meeting was arranged between the staff of this company and the staff of one of the largest silk piece dyers, located near New York city. This latter concern used a tremendous amount of dyes that were imported from abroad and because their supply was shut off it practically shut down their mill.

After due consultation and this joint conference, this company built and installed equipment in this concern's plant that is turning out to-day every one of the colors; equal, if not superior in quality and quantity, to those they received from abroad, and so showed that America could take care of their own requirements. This immediately spread in a great many directions. This above-named company is also responsible for the first phenol plant built and operated in America and this can be truthfully said of a great many of the other very necessary commodities."

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Past and Present In Agriculture

Partial Failures in 1916 and Reduced Acreages Prepared for 1917—A Great Need To-day for Effort to Increase Farm Production—Organization of Labor to This End—Some Fallacies of the High Price Theory Are Fully Explained.

By W. J. Black, Dominion Commissioner of Live Stock.

THE year 1916 must be classed as one of partial failure in the field crops of this country. Succeeding as it did a year of exceptional bounty, the loss in volume is the more striking. Nor was the shortage confined to this continent; it made itself felt, generally speaking, the world over.

The prime reason for the falling off must be sought in unfavorable weather conditions and in an inadequate labor supply. In Canada much less land was prepared in the summer and autumn of 1915 than in the previous year, and while it was hoped that this handicap might be set aside in the succeeding spring, the weather proved so wet and backward that not even a normal amount of work could be done.

Ontario and western Quebec suffered more perhaps than any other sections from continued rains of spring and early summer, but, fortunately, diversity of production saved the situation. Conditions that precluded work on the land resulted in the heaviest hay crop on record. This was secured under unusually favorable harvesting conditions and aided by a fairly good root crop did much to save the day in other departments of the farm.

In the Eastern Provinces, the weather was about normal. In the West, cereal crops, although backward, promised exceedingly well in the early stages of growth, a promise that unfortunately failed of realization, except in Alberta. Not only did great injury result from the exceptionally dry, hot weather of midsummer, but in the southern and central districts of Manitoba and Saskatchewan rust attacked the wheat with devastating results. From this depreciation Manitoba suffered most, and Alberta least; in the latter province the yield per acre being well above average.

Estimate of Wheat Crop in Manitoba, Saskatchewan and Alberta, and in all Canada in 1916 Compared With 1915.

	1915		1916	
	Bush.	Bush. per Acre.	Bush.	Bush. per Acre.
Manitoba ..	96,425,000	28.84	24,749,000	10.57
Saskatch. ..	195,168,000	28.54	78,151,000	14.88
Alberta . .	51,355,000	32.84	35,642,000	24.18
All Canada.	376,303,600	28.98	159,123,000	15.78

This year the quality of the Western wheat crop was also inferior to that of 1915, and consequently more wheat will be required in the production of a barrel of flour than was the case last year. Winter closed in with much of the wheat unthreshed, or still in the stook, it being claimed that in Alberta as much as fifty per cent. was left in this condition.

The yield for all Canada of all other grains is estimated at 406,617,000 bushels, as compared with 630,423,650 bushels in 1915.

The yield of hay and clover during the year was a record one. Of potatoes the crop was less than last year, and the same is true of root and other fodder crops, except hay. All crops with the exception of hay showed a decreased acreage for the year.

The 1917 Outlook.

Turning to the outlook for crop production for the coming year, we find in almost every case a falling off in the prepared acreage compared with 1915, which in its turn showed a decrease compared with 1914. On the other hand the amount of summer fallowing showed a gain over 1915. In spite of the decreased acreage prepared for crop, it must always be borne in mind that almost the entire grain crop is spring sown and that a deficient acreage may to some extent be repaired if the spring season is favorable.

With regard to the output of live stock and live stock and dairy products, no figures are available, but it is not likely that these surpassed the production of former years, with the possible exception of the cheese and butter output. Prices of cereals, dairy and poultry products have ruled and continue to rule at a phenomenally high level. The same is true in a lesser degree of animals and their products. It is probably true that the decrease in cereal production the amount realized will exceed the amount received for the 1915 crop.

The Question of Price.

Some take it for granted without examination that high prices compensate for reduced yield. Such a claim is fallacious. While it is better to have high rather than low prices when the yield is low, a combination of heavy yield and fair prices is much to be preferred. The shortage of this year is only now beginning to make itself felt, and its effects will touch finally every individual in this country.

One of the reasons for prevailing high prices is doubtless to be found in the general decrease in production in this and other countries, but urgent demand for our products occasioned by the war is the outstanding reason. This condition will not remedy itself as long as war lasts. In animals and animal products shortage is not so quickly rectified as in some other lines of production. This fact indicates that farmers will be well advised to lay their plans now for increased output in these departments, rather than give way to the temptation to sacrifice their herds and flocks on account of the high prices obtainable for feeding stuffs. This, it is feared, they have been doing to some extent in spite of earnest appeals from Departments of Agriculture both Dominion and Provincial.

The quantity and value of the farm produce exported continue to expand at a ratio only surpassed by munitions and equipment. A striking example of this growth is seen in the cheese, butter and egg shipments from Montreal, of which the following is a statement:—

Exports of Cheese, Butter and Eggs From the Port of Montreal.

	1916	1915	1914
	Boxes	Boxes	Boxes
Cheese	2,142,000	1,851,000	1,482,000
Butter	177,000	54,000	7,300
Eggs (cases) .	373,000	279,000	112,000

The purchase of agricultural produce made in this country for the British authorities through the Dominion Department of Agriculture directly for war purposes, amounted during the past two years to nearly fifty-two million dollars, and put millions of dollars into the pocket of the Canadian farmer.

Agricultural Exports.

Not everyone reailzes the important part that agricultural produce plays in Canada's export business. Previous to the war the value of these commodities was five times as great as that of our manufactured exports. Here are the figures:—

Canada exported domestic manufactures in 1913 to the value of $43,692,708, as compared with $242,034,998 for the fiscal year ended March 31, 1916. The exports of agricultural products were $150,145,661 in 1913, and $249,661,194 in 1916.

From this it will be seen that in spite of the tremendous export of war munitions and equipment, the value of this country's agricultural exports was still in the lead. What changes in this respect may be brought about as an outcome of the war one cannot prophesy. It seems fairly safe to anticipate that after the war export demands will be much the same as they were previous to it and that we shall continue to look to the farms of this country to contribute to this end by the biggest quota of products.

For Greater Production.

Increase in the volume of the output of the farm is recognized as the great need. This was the object of the campaign conducted throughout the country by the Dominion Department of Agriculture, assisted by the Provincial Departments, in the early months of 1915 and 1916, a campaign which later events have shown to have been amply justified. In spite of the labor handicap, farmers responded well to the call. Had we again been favored with a good season in 1916 the volume of production would probably have again exceeded the average. But in common with other departments of industry, farming has had to face an acute labor shortage. Not only has recruiting made inroads on a supply that was inadequate even before the war started, but farmers find themselves in the position of being compelled to bid against capital for their share of the diminishing supply. No remedy is at present apparent other than that contemplated through the National Service organization, which proposes to direct labor to those industries that are essential to the prosecution of the war. That foodstuffs are as essential as ammunition for winning the war, and that agricultural labor should be drawn upon as lightly as possible for the fighting force is now being recognized in Great Britain and France and in this country as well. We must continue unimpaired our agricultural production for feeding the men on the battlefields and also those behind them in the workshops and factories

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MOVEMENT OF WAGES AND PRICES.

Continued from page 22.

cases, municipal employees being chiefly affected. During 1916 increases in wages were more numerous, especially in the latter part of the year when prices were advancing rapidly. Mines, railways, and the metal industries were chiefly affected. A number of these increases were war bonuses in view of the high cost of living. From the available details as to actual rates of wages a definite calculation as to the average increase is not possible without a comprehensive investigation. Increases as great as fifty per cent. over wages in 1914 have occurred, but ten per cent appears very often. It is doubtful if the average advance exceeds fifteen per cent. These increases in wages have occurred chiefly in industries in a state of great activity owing to war demands and in trades favorably affected indirectly by war conditions or by the good crops of 1915. In recent months, however, nearly every trade or industry has shown some increases in wages and no decreases have been reported.

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What Another Year of War Has Brought

By JAMES MAVOR, Ph.D.

Professor of Political Economy in the University of Toronto.

THE year 1916 has been, as it were, a "holding" year, in which the Allies have been holding the Central Empires firmly, while the Allies themselves have been training the men and preparing the munitionment that must ultimately overwhelm the enfeebled Central Powers. Up till this winter, the economical resources of middle Europe have been sufficient to withstand the strain after a fashion. The civil population has suffered some hardship from deficiency of food and the financing of the war has fallen heavily upon them; but the really serious economic pressure is yet to come.

According to the German economists, the reserves which were actually in being, although not fully visible on the outbreak of the war, were much greater than either official or private estimates had indicated. In addition to these reserves there was the plunder yielded by the conquest of Belgium, Champagne, Poland, Servia, and Rumania, as well as the addition to resources yielded by the establishment of contact with Turkey. There was also the importation, especially in 1915, of food stuffs from and through Holland, Denmark, Sweden, and Switzerland. On the other hand, the Central Powers had to endure progressive decline of the harvest yield from their own fields. This latter has been the most serious feature because while successful military operations might result immediately in increased imports, they could have only retarded influence upon domestic harvests, depending as these must chiefly upon the supply of fertilizers and upon supplies of labor. The progressive exhaustion of the soil has resulted in so greatly diminished yields that the Central Powers have apparently been unable to secure adequate provision for their populations without greater importation than the naval blockade of Great Britain and Italy has permitted them to secure, while the reserves above mentioned are now understood to be exhausted.

The Allies' problem of 1916 has thus been to sustain the marine and land blockade of the enemy effectively and at the same time to enhance the manufacture of munitions and to preserve and increase the effectiveness of their fighting forces. While the submarine activity of Germany has sufficed to some extent to sustain the drooping spirits of her people, the total effect in diminishing either the military power or the material resources of the Allies has not been significant.

The net results of the operations of the year appear to have been that the end of the war has been brought appreciably nearer and that the probability of an effective peace through compromise has definitely receded. Without undue optimism it may be regarded as reasonably probable, that if the Allies are able to press the spring offensive with vigor for a period as long as they were able to press the belated offensive of the summer of 1916, the decisive moment may arrive with the end of that offensive.

That is to say that the economical situation appears to be ripe for a decision to be brought about through military pressure.

Finance and Productive Power in the British Empire.

The financial history of the year has been more satisfactory than it was possible to anticipate at the beginning of it. The enormous strain upon Great Britain has been withstood without any appreciable weakening of her financial power. This result has been attained chiefly through the increase of the productive powers of the British Islands, and through their consequent increasing independence of imports, whether of munitions or otherwise. It has also been facilitated through the mobilization of Imperial resources. Canada has borne already some share in this mobilization; but much more can be done in this country if those who have the administration in their hands have the largeness of view and the energy to carry out a vigorous policy.

It is a comfort to know that we are fighting a winning campaign, but this comfort must not induce us to slacken our efforts—on the contrary, it should stimulate us to assist to the utmost of our powers in bringing the campaign not merely to a successful, but also to a speedy conclusion. We may do this best by stimulating production in every field, and especially in the field of munition making. We must cease to talk nonsense about "profiteering" and to waste time and emotion upon pleading with those who are doing the work to avoid making profit out of it. The greater the profits, the more the whole community benefits, on the one hand through increase in wages and on the other through increases in taxation, while the prospect of high profits draws an increasing number of competitors into the field.

The important thing is to get the work done, the price of the work is of less importance. A pettifogging policy of counter bargaining must check production. If two years ago we had been farseeing enough to offer the inducement of great profits to manufacturers to undertake large contracts, we should have been so overwhelmed with capital and labor for the making of munitions that prices would have speedily adjusted themselves through competition and the financing of the war would have been easier than it is. This, at all events, is the experience of past economic history. To restrict prices and to interpose difficulties mean restricted production and financial construction.

The Rise in Prices.

During the year 1916, prices of commodities in general consumption have advanced practically all over the world. This advance has been due to concurrent action of several causes affecting both the supply and the demand for these commodities. While enquiry may usefully be made into the special causes of price movements in the case of individual commodities, the upward movement of prices has been so widespread as to suggest that some few important causes are chiefly responsible for the character of this movement.

1. The most important of these causes is probably the increase in the volume of credits. Governments have been borrowing immense sums of money and private individuals have been borrowing upon their resources in order to lend money to the Government. The disbursement of these great sums has resulted in an increase in demand for certain goods—metals, fuel, textiles and foodstuffs. The case has not been exclusively, although it has been in part, one of diversion of demand; it has very largely been one of sheer increase of demand.

Profits have been greater, wages have been higher, the people generally have been living at a higher standard of comfort, and the use of and demand for commodities have increased. The increase of demand has been made effective through the increase in the volume of credits. In so far as the advance of prices has been due to increase of credits, the advance may be expected to continue so long as the conditions which produces it, continues. Every creation by Governments or by the public of fresh credits means additions to purchasing power and therefore means an increase of prices until gradually as regards certain commodities a point of saturation is reached. When this point is reached, increase of production must experience a check because of the effect upon wages and upon the cost of production.

While advance in prices is not necessarily an evil, as some suppose, it it, as is also fall in price, more or less disturbing to the economic equilibrium. It is therefore extremely important that Governments and organizers of industry, as well as private persons should forbear as much as possible from creating fresh credits during an abnormal period. Only indispensable credits should be created, otherwise the liquidation of the abnormal period must be more difficult and prolonged than would otherwise be the case.

In so far as the creation of credits is necessary for the conduct of the war, they must be created and further creation of them must lead inevitably, other things being equal, to further advances in general prices. The sacrifices imposed upon us through the payment of these enhanced prices must be regarded by us as a portion of the cost of the war, distributed as this cost is through the operation of the forces of the market. If, however, in addition to these indispensably necessary credits we create others not necessary, prices must advance still further, the expenditure upon the war must be increased, and in consequence the success and speedy conclusion of the war must be compromised.

2. The second important cause of the increase of prices has been the diminution of the available supply of some of the chief commodities. The movement of wheat from Russia to Western Europe has been impeded, the production of wheat in Central Europe has declined owing to the lack of fertilizers, and at the same time the crops of North and South America have been deficient. The available supply of wheat has thus diminished seriously and the demand being approximately the same, the price has advanced sharply. The demand is probably approximately the same in spite of the isolation of the Central Empires and the consequent diminution of their effective demand.

This result has been produced through the increase in local demand, arising partly from the causes above mentioned, viz., the increase in the standard of comfort and partly from the extensive purchases by Governments in order to secure the provisioning of their peoples and to safeguard against enemy interference with transportation. High wheat prices react upon all other prices because they influence the cost of living directly, and the prices of commodities not in general consumption, indirectly, diminishing the demand for some and diminishing the supply of others.

Ocean Freights and Prices.

The relation of the rates of transportation, especially ocean freights, to prices is customarily much misunderstood. In general, high ocean freights are the effect and not the cause of high prices. It is obvious that high ocean freights cannot be paid excepting out of high prices; low priced goods cannot pay high freights. In so far as ocean freights may be said to influence prices, they do so in tending to diminish in the countries of origin, the prices of goods customarily shipped from them because high freights impede shipments; and to increase prices in importing countries through curtailment of supply, but otherwise they neither enable high prices to be paid nor cause them to be paid. Regulation by a Government of ocean freights and the consequent reduction of them, if it were possible on technical grounds, must result in diminution of available tonnage because ships will seek more profitable routes and to the extent that shipments did take place at the reduced rates, in advance of prices in the exporting countries, as well as diminution of prices in the importing countries.

The Regulation of Prices.

When a city or a country is isolated from others from which it customarily imports a portion or the whole of its normal food supply, the Government may commandeer the whole of the available stocks of food and dole these out in any quantities and freely, or at any prices its officials may choose to fix. The success of such an operation must however depend upon the efficiency of the police supervision of the production and storage of food. Necessity on the one hand and inducement of prices in excess of the legal price on

(Continued on page 29.)

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City of Fort William, Ont.	4½	1938
City of Port Arthur, Ont.	5	1926
City of Brandon, Man.	5	1919
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A Prosperous Year in Steel Trade

Securities of Companies Producing Metal and Its Products Made New High Levels With a Year-end Reaction Which Was Almost General and Accompanied Peace Talk.

THE year 1916 will long be remembered by those interested in iron and steel and related securities. Down to December it was a great year for the brokers and the optimists. A list before me indicates that there was an almost general advance in the price of the securities mentioned below. Some of the advances, as in the case of Canadian General Electric, were relatively slight because the company's business is so stable, but the advance is one worth noting. In a few cases there were declines — notably Canadian Car and Foundry, thanks to its first Russian order—but also Dominion Bridge, owing to a variety of circumstances. In other cases the advances were considerable, for instance, Dominion Steel, Steel of Canada and Scotia. In a few cases they were remarkable—especially Dominion Steel Foundries, if the last part of 1915 is included, Canadian Foundries and Forgings, and also Russell Motor Car. Lake Superior advanced remarkably, but with no evident basis for an increase.

One feature has been the sale of certain Canadian securities in New York. Notably Dominion Steel and possibly Steel of Canada and certainly Scotia, which has been listed in New York. To what extent American interests are buying control in Canadian ores and coal, especially by buying Scotia is absolutely unknown to the public, but evidently something has been going on. Another feature has been the alternate interest and advances in Dominion Steel and Steel of Canada. The latter is now a dividend stock and the former has greatly improved its financial position. In the case of both companies, but especially Dominion Steel, lack of adequate working capital had been a handicap.

Dividends have been popular. Canadian General Electric has increased the regular dividend to 8, Steel of Canada has declared a 4 per cent. dividend, Dominion Steel Foundries has paid 40 per cent., and Canada Foundries 29 per cent. Canadian Car and Foundry has still withheld its preferred, Dominion Steel and Scotia are cautious about dividends, along with Russell Motor and others.

There has been a considerable improvement in working capital too. This has been especially true of Dominion Steel, Scotia and Steel of Canada. Some of the others have been less favored, though in one case at least depreciation sufficient to cover the previous year kept down the working capital for this year. The companies do not seem inclined to declare dividends until they are well protected with a reserve. They have learned a good many lessons since war broke out that will stand them in good stead in the future.

Algoma Steel Corporation

This chief subsidiary of the Lake Superior Corporation remains the standby of the mother company. The success of the related industries, especially the railways, depends on the success of the steel business. At the annual meeting in October it was stated that the net earnings of all the companies this year was $3,503,471, against $1,366,210 last year. However, $2,732,500 of notes of the Algoma Steel Corporation are due in March, 1917, and all earnings will be conserved for the reduction of this debt. As the Algoma Steel Corporation is in the hands of the bondholders' committee there is little probability that earnings will be paid to the Lake Superior Corporation until there is an ample reserve of this most important subsidiary. The bond issue of the Steel Corporation is $14,000,000 outstanding.

There has been recently a good deal of speculation in Lake Superior chiefly by Philadelphia interests. The stock has risen from 10 to 33, even though there seems little to justify it, nearly all the subsidiaries being in the hands of receivers. There has been some change in the personnel of the Board of Directors of Lake Superior and a policy of giving the shareholders regular reports has been adopted.

Dominion Steel Corporation.

When Dominion Steel sold at 14 in 1915 the price was the result of 1913 to 1914 depression, together with war time uncertainty. That it has climbed from that figure to 49 at the beginning of 1916 and about 80 at the first of December without the payment or even the promise of a common stock dividend indicates a tremendous discounting of good news.

When the merger of coal and iron was established in 1910 a block of 5-year debentures were issued to pay a dividend of 5 per cent. on the common stock. This was a bad beginning, for it meant the payment of dividends out of capital and an increase in short time liabilities, due in November, 1915. Besides the Corporation has to pay out of the earnings of its constituent companies the interest and sinking fund on the bond issues of the various constituent companies, the dividends on its own preferred shares, provision for which is made by payment of interest on the income bonds of the Dominion Coal Co. and Dominion Iron and Steel Co., together with dividends in the preferred stock of these two companies. The last dividend on common stock of the Steel Corporation was paid January 1st, 1914, and thanks to war profits the Corporation was able to dispose of the $1,500,000 of debentures at maturity. The unsound policy of paying dividends on common by issuing debentures has had its plan taken up by the building up of an adequate reserve.

The movement of the stock within the year has ranged between 44 in February and 80 in December. Little advance was made before the annual report came out in May, when about five points were gained. In October, thanks chiefly to merger talk and apparent buying in New York, prices moved up to over 70, and again in December in a movement to 80, there is another indication of New York or other syndicate buying. The increase in price indicates the great improvement in the financial position of the company, though there is nothing except comparison with other stocks on which to base estimates of real values. In the course of the slump in December the stock has regained leadership over Steel of Canada, but at the expense of a decline in 15 points from high.

Nova Scotia Steel and Coal Company.

Scotia instead of making spectacular advances has for the most part been holding its own and making gradual advances in the market from 100 for common at the beginning of the year to 147 at the end, while preferred has been fairly steady around 110 to 115. Scotia made her great advances a year ago from 45 at the opening of the markets in March, 1915.

At the beginning of the year the Company paid all deferred dividends, amounting to 12 per cent. The company has not to the present time declared a dividend on the common, though that stock is selling to-day at about 150. As a matter of fact the price may be warranted by prospective dividends, and the following developments underlying the prospects.

Early in the year Scotia issued debenture stock for construction purposes. Arrangements were also made for doubling the issue of common stock, though for whatever reason this authority has not been used, even when the New York listing occurred in November.

The orders, business and profits of Scotia have been excellent. There have been great stories of $500,000 of profits monthly. Profits will be at least 60 per cent. greater than last year, when they were 15 per cent. on common. The floating debt of the company had been entirely cleared up by October, including $1,500,000 to the Bank of Nova Scotia, $900,000 to the Royal Bank and $600,000 to New York concerns.

The company has a conservative attitude toward dividends. The company will first be put in a strong financial position. Incidentally it is important to know that the war has called for a practical doubling of the furnace capacity, together with the building of forging plant, increasing of heating capacity and building a shell-finishing plant. More money has been spent in connection with munitions work than in the case of any other steel plant in Canada. 150 for a non-dividend paying stock was, nevertheless an anomaly, and the price of 112 at the close of the year leaves something to be explained.

Steel Company of Canada.

Steel of Canada has been a competitor of Dominion Steel for the last year and a half in respect of the price of stock and the volume of sales. Beginning at 8½ in 1915 several points below Dominion, it has worked up to over 85, leading Dominion Steel by several points, and by having declared a dividend for the year 1916.

Of course it was well known at the beginning of the year 1916 that the company was making good profits. The stock was selling at 40 or thereabouts, slightly lower in January and February. But in April the company declared for a payment of the arrears and current dividends on preferred stock. As a result the common stock promptly moved up to 59 in May and 65 in June. The annual report for 1915 showed phenomenal earnings and expectation of extraordinary earnings in 1916 seemed justified. There was talk of a 6 per cent. dividend on common from April onward. Montreal interests were particularly insistent on a dividend payment and late in November a payment of 4 per cent. for the year 1916 was provided for. Obviously this does not give definite promise of even a permanent 4 per cent. basis, though some optimists have construed it as a promise of 8 per cent. per annum or 2 per cent. per quarter. One effect of the dividend announcement has been an advance of common to 88 and of preferred to 105. During the past year the Steel Company has added four open hearth steel furnaces and a large forge plant. These have been paid for out of earnings. It has, however, had to reconcile itself to paying 75 cents per ton more on an order of 400,000 tons of iron ore for the year 1917. At present prices for steel and with its output sold out for 1917 the future looks bright indeed. That the company declared a dividend on common is good news, for the Directors were for the most part determined that they should not act until they were assured that payments could be continued.

Canada Foundries and Forgings.

The first few years of this company, after the amalgamation of the constituent companies in 1912, were years of modest but growing earnings. 1914 was not so good, but in 1915 war orders began to bring the inevitable prosperity. In October, 1915, the stock was listed in Montreal and began to sell at 55. For a time it was a neglected stock, but it suddenly jumped to 100 and then to 125 on trading of only 500 shares. Trading was thereafter conducted on a cautious basis. But even at this the stock rose to 187 before the month of November was out, and early in December it reached 243 on reports of earnings of 100 per cent due to war and domestic business. When dividends were declared in December, 1915, they were only 10 per cent. on common and the price broke to 190. When the annual meeting was held in February it was discovered that all extensions to plant and new equipment had been provided out of earnings, and net earnings were over $1,020,309 on $960,000 of common stock and $960,000 of preferred. In April the common stock was placed on a 12 per cent. annual dividend basis and a bonus of 3 per cent. was paid for the quarter. Yet there was no interest in the stock, which sold at 183 as compared with 212 at the opening of the year.

In July the stock was listed on the Toronto Exchange. The bonus of 3 per cent. has been continuel quarterly on common. In November interest began to grow again, and the stock moved up to 215 and then to 227 early in December on a comparatively small volume of trading. The stock has been compared with that of Dominion Steel Foundries, and there are more than one mark of likeness, though in the slump in December the stock did not decline past 190.

Canadian Car and Foundry

It has taken the Canadian Car and Foundry Company nearly all year to live down its ill-fated Russian order, but even then the stock, which rapidly advanced on sales to New York when that order was first reported in July of 1915, has declined from 78 at the beginning of the year to as low as 38 in September. Preferred sold off from 100 to 63. Since September advances have been made to 44 for common and 83 for preferred. About the first of January though there have been declines since to 33 and 72.

Candian General Electric.

During the war the sales of machinery and supplies have fallen off, but this has been considerably offset by orders for munitions which, while involving a considerable original outlay of capital has at the end of the year 1916 been completely paid out of profits as per contract. There has been some improvement in the demand for ordinary products. The rapidly increased cost of metals and the shortage of labor have throughout the year been disturbing factors. Part of the benefits of improved conditions have been awarded to employees in the form of a payment equal to deductions from salaries and wages.

Throughout the year the common stock has varied between 109 and 123 with a general tendency to advance throughout the year. The stock has been estimated to have behind it property worth $150. A bonus of 1 per cent. on common was paid in the last quarter of the year, making the distribution 8 per cent. for the year.

Canadian Locomotive.

Both foreign and domestic orders for locomotives have been available for Canadian Locomotive this year. Locomotives made for the Russian Government have been declared the best made in America, and more orders are expected. In May, too, shell contracts were taken on.

The annual report on June 30, 1916, showed that the company had earned $572,982, as compared with $130,027 the year before. The net profits were 44 per cent. greater than in any previous year in the history of the organization. The best returns have been in the latter months. Business never looked better than at the end of the year with orders for engines on hand worth over $2,500,000 and for munitions $1,200,000.

Dominion Bridge Company.

Beginning the year at 231 Dominion Bridge common has declined to a little over 160. Undoubtedly the company has made good profits. War munitions have been the occasion for the optimism, for the company has two very prosperous subsidiaries, Montreal Ammunition Company and the Dominion Copper Products Company. The stock, therefore, withstood the shock of the second Quebec Bridge disaster remarkably well. As the company has no outstanding bonds common stockholders have enjoyed 20 per cent. divident payments. The company is not, however, particularly optimistic about post-war business.

Dominion Steel Foundries.

Probably no other Canadian security has provided such general interest on such narrow trading. The stock, which is unlisted, is closely held by Hamilton interests and authentic news is seldom available. At the beginning of August the stock sold at about 100. It had previously been very quiet. In a short time it had advanced to 140, and in one week in October it advanced from that figure to 174½. The next week they advanced to 210 and a week later to 283, the high record to date. A report has been current that the stock is worth 400, but the street has failed to carry it up to that level. It has sold off since as low as 140 in the December slump, and is closing the year at about 150. Dividends on common have been paid amounting to 8

(Continued on page 31.)

Conservative Dividend Policy Was Followed

DESPITE the tendency among Canadian companies to greatly increase their reserves and working capital, and also to make improvements and extensions out of earnings, there has been a considerable improvement in the dividend status of many of the securities most active on Canadian exchanges.

Common stock dividends have been increased by B. C. Fishing and Packing, F. N. Burt, Canadian General Electric, Ogilvie Flour, Penmans, Shredded Wheat, Toronto Paper, Detroit United R. R., and Kaministiquia. This represents a total yearly gain of over $5,000,000.

Dominion Iron and Steel, Canada Steamship Lines, National Steel Car, Toronto Paper, Ontario Steel Products and Grand Trunk have resumed dividends on preferred stocks, amounting to $1,583,000. Common stock dividends, amounting to $3,719,727, were resumed by the Grand Trunk, Ottawa Power, Hudson's Bay and the Windsor Hotel.

New dividends on preferred have been paid by Eastern Car, Maritime Fish and Abitibi, amounting in all to $145,200, and on common by Dominion Steel Foundry, North American Magnesite, Canadian Foundries and Forgings, Campbell Flour, Dominion Power, Canada Cottons, Riordon, Price Bros., Steel of Canada, Provincial Paper, Canada Cement, and Maple Leaf Milling, amounting to about $2,000,000.

Bonuses and interim dividends have been quite common, especially in the steel and munitions business, wheer there is so much uncertainty respecting the future payments. But others, too, are included in the list. Camuagey Electric, Canada Cement, Canada Foundries, Maple Leaf Milling, and Riordon have paid interim dividends worth about $700,000. Penmans, Montreal Stock Yards, Canada Foundries, Dominion Steel Foundries, Ogilvie Flour Mills, and Shredded Wheat, have paid bonuses amounting to about $300,000. It is to be noted that some of these bonuses and interim dividends were paid in addition to the regular dividend on the common stocks. There are an evidence of caution. It is a question whether Steel of Canada is not also in this class.

The Bank of B.N.A. reduced its dividend from 8 to 7 per cent. Dividends were passed by Montreal Abattoirs and Ready's Breweries on preferred and by Winnipeg Electric R.R. and Ready's Breweries on common, and by the C. N. R. on its 5 per cent. inc. charge common deb. stock.

CANADIAN DIVIDEND POLICY, 1916.

	Preferred Dividend		Common Dividend		
Company.	Last Date	Arrears	Last Date.	1915	1916
Abitibi Power and Paper	Jan. 1, 1914	17½ July 1, 1916	....	..	..
Acadia Sugar Refining	June 1, 1915	Non-Cum.	June 1, 1915	2½	..
American Cyanamid	Dec. 31, 1916	....	....	..	..
American Sales Book	Dec. 31, 1914	7% Dec. 31, 1915	....	..	..
Ames-Holden-McCready	June 30, 1914	12¼ June 30, 1916	....	..	..
Atlantic Sugar Refineries	....	17½ Dec. 31, 1916	....	..	..
Brandram-Henderson	Jan. 1, 1917	....	....	..	..
B. C. Fishing and Packing	....	....	May 21, 1916	3½	4
F. N. Burt	Oct. 1, 1916	....	Oct. 1, 1916	4	6
Campbell Flour	....	....	....	..	2
Canada Bread	Oct. 1, 1916	....	....	..	..
Canada Cement	Nov. 16, 1916	....	Oct. 16, 1916	..	6
Canada Foundries and Forgings	Nov. 15, 1916	....	Nov. 15, 1916	..	29
Canada Machinery	....	Non-Cum.	....	..	..
Canadian Car and Foundry	Apr. 1, 1916	11¾ Jan. 1, 1917	June 30, 1914	..	..
Canadian Consolidated Rubber	Jan. 1, 1917	....	June 30, 1914	..	..
Canadian Converters	....	....	May 15, 1915	1	..
Canadian Cottons	Oct. 4, 1916	....	June 30, 1916	..	1
Canadian General Electric	Oct. 1, 1916	....	Oct. 1, 1916	1¾	2¾
Canadian Locomotive	Oct. 1, 1916	....	....	..	..
Canadian Wm. A. Rogers	Oct. 1, 1916	....	....	..	..
Canadian Salt	....	....	Jan. 1, 1917	8	8
Canadian Fairbanks-Morse	July 15, 1916	....	....	..	..
Canadian Westinghouse	....	....	Oct. 10, 1916	9	..
Carriage Factories	Jan. 30, 1915	14 Jan. 15, 1917	....	..	..
Carter Crume	June 30, 1914	10¾ July 1, 1916	....	..	..
Chicoutimi Pulp	....	....	....	..	..
City Dairy	Oct. 1, 1916	....	Oct. 1, 1916	8	8
Cockshutt Plow	July 1, 1916	14 July 1, 1916	....	..	..
Dominion Bridge	....	....	Nov. 15, 1916	8+3	..
Dominion Canners	Apr. 1, 1915	12¼ Jan. 1, 1917	Apr. 1, 1914	..	..
Dominion Steel	Sept. 1, 1916	....	Dec. 31, 1913	..	..
Dominion Iron and Steel	Oct. 1, 1916	5¼ Dec. 31, 1916	....	..	..
Dominion Coal	Aug. 1, 1916	....	....	..	..
Dominion Steel Foundries	Dec. 1, 1916	....	Nov. 1, 1916	..	35
Dominion Textile	Oct. 1, 1916	....	Oct. 1, 1916	6	6
Lake of Woods Milling	Dec. 1, 1916	....	Dec. 1, 1916	8	8
Laurentide Co.	....	....	Oct. 1, 1916	8	8
A. Macdonald	Dec. 31, 1913	21 Jan. 1, 1917	June 30, 1913	..	..
Maple Leaf Milling	Oct. 11, 1916	....	Oct. 31, 1916	..	7
Monarch Knitting	Nov. 1, 1916	....	Nov. 1, 1913	..	..
Montreal Cottons	Dec. 15, 1916	....	Dec. 15, 1916	4	4
National Brick	....	....	June 1, 1914	..	..
National Steel Car	July 15, 1916	17½ July 1, 1916	....	..	..
Nova Scotia Steel & Coal	Oct. 15, 1916	....	June 30, 1914	..	..
Ogilvie Flour Mills	Dec. 1, 1916	....	Jan. 1, 1917	8	10
Ontario Steel Products	Nov. 15, 1916	1½ Jan. 1, 1917	....	..	..
Pacific-Burt	Jan. 1, 1917	....	Jan. 1, 1917	2	2
Penmans, Ltd.	Nov. 15, 1916	....	Nov. 15, 1916	4	5
Price Bros.	....	....	Jan. 1, 1917	..	3
Provincial Paper Mills	Oct. 1, 1916	....	....	..	1
Riordon Pulp and Paper	Dec. 1, 1916	....	Nov. 15, 1916	..	4½
Russell Motor Car	Aug. 1, 1913	22¼ Jan. 1, 1917	Aug. 1, 1913	..	..
Sawyer-Massey	June 1, 1914	17½ Dec. 1, 1916	....	..	..
Sherwin-Williams	Oct. 1, 1916	....	....	..	..
Shredded Wheat	Jan. 1, 1917	....	Jan. 1, 1917	6	7
Smart-Woods	Oct. 1, 1916	7 July 1, 1916	Dec. 31, 1913	..	..
Spanish River Pulp and Paper	June 30, 1913	21 July 15, 1916	....	..	..
Standard Chemical Iron	Dec. 31, 1913	21 Jan. 1, 1917	June 2, 1913	..	..
Steel Company of Canada	Nov. 1, 1916	....	Nov. 1, 1916	..	4
Steel and Radiation	Dec. 31, 1915	....	....	..	..
Tooke Bros.	Dec. 15, 1916	10½ Dec. 16, 1916	....	..	..
Toronto Paper Mfg.	....	....	Jan. 1, 1917	4	6
Tuckett Tobacco Co.	Oct. 15, 1916	....	....	..	..
Toronto Structural Steel Co.	Oct. 1, 1916	....	....	..	..
Western Canada Flour Mills	....	....	Dec. 15, 1916	8	8
Barcelona T., L. & P.	....	....	....	..	..
Bell Telephone	Never	....	Oct. 15, 1916	8	8
Brazilian T., L. & P.	Oct. 1, 1916	....	Dec. 1, 1916	4	4
B. C. Electric Ry.	July, 1916	....	....	..	..
Camanquey Electric	....	....	....	..	1
Canada Steamships	Aug. 1, 1916	14 Dec. 31, 1916	....	..	..
Canadian Pacific	Oct. 1, 1916	....	Oct. 1, 1916	10	10
Consumers Gas of Toronto	....	....	Oct. 1, 1916	10	10
Detroit United	....	....	Dec. 1, 1916	6	7
Dominion Power	....	....	....	..	2
Dominion Telegraph	....	....	Oct. 15, 1916	6	6
Duluth-Superior Traction	Oct. 1, 1916	....	July 1, 1915	1	..
Illinois Traction	Oct. 1, 1916	....	Nov. 1, 1916	3	3
Kaministiquia	....	....	....	4	6
London Street Ry.	....	....	July 2, 1916	6	6
Mackay Companies	Oct. 1, 1916	....	Oct. 1, 1916	5	5
Mexican L. & P.	Nov. 1, 1913	21 Nov. 1, 1916	Oct. 15, 1913	..	..
Minn., St. P. & S. S. M.	Oct. 15, 1916	....	Oct. 15	7	7
Mexico Tram.	....	....	Nov. 1, 1913	..	..
Monterey R., L. & P.	Never	....	....	..	..
Montreal L., H. & P.	....	....	Nov. 15, 1916	10	10
Northern Ohio Traction	....	....	Dec. 15, 1916	5	5
Ottawa Traction	....	....	Oct. 1, 1916	4	4
Porto Rico Ry.	Oct. 1, 1916	....	Oct. 1, 1916	4	4
Quebec R., L., H. & P.	....	....	Jan. 15, 1912	..	..
Toronto Ry.	....	....	Oct. 1, 1916	8	8
Twin City Rapid Transit	Oct. 1, 1916	....	Oct. 1, 1916	6	6
Winnipeg Ry.	....	....	Oct. 1, 1916	9½	..

Increasing Production of the Mines

During 1916 the Value of the Mineral Output of Canada Showed a Very Considerable Gain Over That of 1915—As One Result of This Enlarged Production Shareholders in Mining Companies Enjoyed a Much Better Return From Their Investments and the Outlook for 1917 is Very Bright.

OWING to greatly increased production of gold in the Porcupine district of Ontario, of nickel in the Sudbury district, and of copper, zinc and lead in British Columbia, the total output of Canadian mines for 1916 will run considerably in excess of that for 1915. Estimated roughly, for no exact figures are yet available, the total will come to about $162,000,000. This compares with $138,513,750 for the previous year.

The greater portion of the gain has been made by British Columbia, where the production of copper and lead has made a considerable advance and where the newer output of zinc has become an important factor. Ontario has also made a substantial gain.

Nova Scotia, the third province of the Dominion in mineral production, shows a decrease for the year, owing to the curtailment of its output of coal. This is reported to be about half a million tons less than in 1915. There was a slight gain made by Quebec, where the mining of asbestos has received renewed impetus during the year.

The accompanying table gives an estimate by provinces of the year's production of minerals:—

MINERAL PRODUCT ION BY PROVINCES

Calendar	*Nova Scotia	New Brunswick.	Quebec.	Ontario.	Manitoba.	Alberta.	Saskatchewan.	Yukon.	B.C.	Total.
1899	$ 6,817,274	$420,227	$ 2,585,635	$ 9,819,557		$17,108,707			$12,482,605	$49,234,005
1900	9,298,479	439,060	3,292,383	11,258,099		23,452,330			16,680,526	64,420,877
1901	7,770,159	467,985	3,759,984	13,970,010		19,297,940			20,531,833	65,797,911
1902	10,686,549	607,129	3,743,636	14,619,091		16,127,400			17,448,031	63,231,836
1903	11,431,914	580,495	3,585,938	14,160,033		14,082,986			17,899,147	61,740,513
1904	11,212,746	559,913	3,688,482	12,582,843		12,713,613			19,325,174	60,082,771
1905	11,507,047	558,035	4,405,975	18,833,292		11,387,642			22,386,008	69,078,999
1906	12,894,303	646,328	5,242,058	25,111,682		10,092,726			25,299,600	79,286,697
1907	14,532,040	664,647	6,205,553	30,381,638	$ 898,775	4,657,524	$533,251	$3,335,898	25,656,056	86,865,202
1908	14,487,108	679,816	6,372,949	30,623,812	584,374	5,122,505	413,212	3,669,290	23,704,035	85,557,101
1909	12,504,810	657,035	7,086,265	37,374,577	1,193,377	6,047,447	456,246	4,032,673	22,479,006	91,831,441
1910	14,195,730	581,942	8,270,136	43,538,078	1,500,359	8,996,210	498,122	4,764,474	24,478,572	106,823,623
1911	15,409,397	612,830	9,304,717	42,796,162	1,791,772	6,662,673	636,706	4,707,432	21,299,305	103,220,994
1912	18,922,236	771,004	11,656,998	51,985,876	2,463,074	12,073,589	1,165,642	5,933,242	30,076,635	135,048,296
1913	19,376,183	1,102,613	13,475,534	59,167,749	2,214,496	15,054,046	881,142	6,276,737	28,086,312	145,634,812
1914	17,514,786	1,024,706	12,279,637	52,147,973	2,428,902	12,773,669	710,840	5,402,062	24,202,924	128,475,499
1915	18,126,672	916,329	12,159,436	61,800,178	1,357,604	9,915,282	395,728	4,915,863	28,932,658	138,513,750
1916	17,000,000	1,000,000	12,500,000	70,000,000	1,500,000	10,000,000	500,000	4,500,000	45,000,000	162,000,000

*Includes a small production of lime from Province Edward Island.

The Rise in Silver.

An outstanding feature of the year in the mining industry has been the substantial rise in the price of bar silver. When the year opened, the quotation in the New York market was 55⅞ cents an ounce. At its close the value of the white metal had risen approximately 20 cents to 75⅜ cents an ounce, at which price it was within 2 cents of the high mark for the year.

There were two distinct upward movements during the year. The first began in the last few days of March. The price was advanced steadily during April, and towards the end of that month and the early part of May it went up sharply to the high mark recorded on May 12 of 77⅜ cents an ounce. The price then fell away almost as sharply as it had advanced, and by the end of the month silver was back at 68¾ cents. The recession continued during June and July, a low of 60 cents being recorded on July 10. Since then another upward movement has been in progress, distinguished from the first one, in that it has been much more gradual and steady. It reached its zenith on December 15, with a price of 76¾ cents.

The following table shows the trend of prices during each month of the year:—

THE RANGE OF SIVER PRICES

	Open	High	Low	Close
January ...	55⅞	57⅝	55⅞	57⅛
February ..	56⅞	57	56½	56⅝
March	56⅝	60¾	56⅝	60¾
April	60⅞	73½	60⅞	73½
May	73½	77⅜	68¾	68¾
June	68¾	68¾	62¾	65
July	65	65	60	64⅛
August	64	67¼	64	67¼
September ..	68¼	69¼	67¾	69⅛
October	69⅛	69⅛	67⅞	67¾
November ..	68⅛	75¼	68⅛	75¼
December .	75⅛	76¾	75	75⅝

Gold Company Dividends.

Progress in the gold mining industry of the Porcupine district is well illustrated by the steady increase in the amount of dividends paid to shareholders in the gold mining companies. During 1916 the total amounted to $3,700,750, which compares with $2,342,250 in 1915 and $1,410,000 in 1914. At this no new companies have as yet entered the list of dividend payers, though there is no doubt that before another twelvemonth several more will have to be included in the list.

With the formation of Hollinger Consolidated last summer, dividends paid by this company were materially increased. Whereas under the old arrangement a disbursement of only $120,000 was made every four weeks, under the new consolidation the four-weekly payment totals $240,000 Both Dome Mines and Tough-Oakes, which began to pay regular quarterly dividends during 1915, increased their aggregate disbursements by reason of having paid four dividends instead of only two each in 1915.

The following table shows the dividends paid by the gold mining companies:

DIVIDENDS BY ONTARIO GOLD MINES

	1914	1915	1916
Hollinger ...	$1,170,000	$1,560,000	$2,400,000
Porc. Crown	240,000	240,000	240,000
Dome Mines	......	400,000	800,000
Tough Oakes	......	130,250	260,750
Rea Mines ..	......	12,000	......
	$1,410,000	$2,342,250	$3,700,750

Silver Company Dividends.

On the whole, 1916 has been a better year for shareholders in silver mining companies than 1915. The rise in the price of bar silver has resulted in greater activity in mining and even with a smaller production than was obtained two or three years ago, the increased value of the metal makes operations more profitable. The aggregate of dividends paid by the Cobalt silver companies was $5,304,365, which compares with $4,211,363 in 1915 and with $6,235,557 in 1914.

Such companes as Kerr Lake, La Rose, McKinley--Darragh and Nipissing have maintained their regular quarterly dividends at the rate established in 1915 and in the case of Nipissing an extra bonus of 5 per cent. has been declared for the last quarter of the year.

Such dividend payments as have been made are listed in the following comparative table:—

DIVIDENDS BY ONTARIO SILVER MINES.

	1914.	1915.	1916.
Beaver	$ 60,000	$ 120,000	$ 60,000
Buffalo	100,000	....	....
Casey-Cobalt ..	93,750	....	....
Cobalt Lake ..	150,000	....	....
Cobalt T'nsite.	200,000	....	....
Mining Corp..	259,375	259,375	570,615
Cobalt Comet .	76,000	125,000	....
Coniagas	1,320,000	600,000	400,000
Crown Reserve	424,515	159,193	....
Kerr Lake ...	600,000	600,000	600,000
La Rose	749,313	299,725	224,794
McKinley	404,585	269,724	269,724
Nipissing	1,200,000	1,200,000	1,500,000
Peterson L..	126,096	168,127	168,127
Rt. of Way ..	16,855	....	37,500
Seneca-Sup. ..	335,219	335,219	598,605
Tem. & Hudson	69,849	....	....
Temiskaming .	....	75,000	225,000
Trethewey	50,000	....	50,000
	$6,235,557	$4,211,363	$5,304,365

OUTLOOK FOR SUGAR.

Low Range of Values Not Likely During 1917.

Although during peace parleys prices for sugar may be unsettled for a time, it is not likely that a low range of values for 1917 will be experienced. This is the opinion expressed by Frank C. Lowry, of the Federal Sugar Refining Company, who says further:

"If peace comes to Europe within the next few months, it is possible that Belgium, France, Russia, Germany and Austria will be able to mobilize their laborers and increase their sowings of sugar beets next April. Under the most favorable circumstances, however, the crop will not mature before October, and in the meantime the present basis of supply and demand must prevail.

"If peace is deferred until it is too late for increased plantings next spring, then it will be September-October, 1918, before the countries now at war can obtain supplies from their own harvests. It is, therefore, quite possible that peace would broaden the demand for our sugar for at least the next ten months.

"In the face of these conditions, it is fortunate that we have Cuba beginning to harvest what is expected to prove a record crop of over 3,400,000 tons, as against 3,006,000 for 1915-16, and that other increases make the estimated world's production about 700,000 tons more than in 1916."

THE YEAR IN NOVA SCOTIA.

Generally Satisfactory Except as Regards Coal Output.

In the various reviews of the year in Nova Scotia, there is no sign of anything but satisfaction over the past and optimism for the future. There is not a single exception to this. Hon. Robert Drummond, an expert on the coal situation, says the output is 390,000 tons less than the year before, but W. A. Major, of K. G. Dun & Co., makes the yield larger than in 1915. He says:—

"Surveying the province generally, it is found that the coal output for the fiscal year ending September 30, 1916, represents a total output of 6,500,000 tons, compared with the output in 1915 of 6,370,463 tons. There was in fact a larger output in the year 1913, which showed 7,203,913 tons, and in 1914, 7,000,000 tons, but these were almost record years."

It may be that Mr. Drummond is computing the calendar year, whereas Mr. Major takes the companies' fiscal year, and hence the discrepancy. The reason for the smaller output is the thousands of men who have enlisted.

COAL AND COKE SHORTAGE.

Tends to Strengthen Position of Some Canadian Steel Concerns.

In the Pittsburg region the iron and steel industry is suffering considerably on account of a shortage of coke and coal, due partly to the car shortage. Over forty furnaces have been banked in the last two weeks. This has reduced the pig iron production by about 20 per cent. of the rate of production for the last two months. A situation like this tends to strengthen the position of companies that own their own coal, especially if the furnaces are near the coal mines, as in the case of Scotia and the Dominion Iron and Steel Co. These companies have not, however, been entirely free of difficulty in respect of coal. This has been due in part to enlistment.

N. A. MAGNESITE.

Additional 10% Dividend Makes 44% in Nine Months.

The North American Magnesite Company has declared an additional dividend of 10 per cent., making 44 per cent. in all since March, 1916. The high rate of profit is attributed to the increased sales and high prices due to the war. The company was formerly known as the Magnesia Products, Ltd., but in 1913 it was completely reorganized. The present capitalization is only $186,000, as against $600,000 common and $200,000 of preferred in the old company.

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Exports Show Great National Production

(Continued from page 17.)

abroad for prices, catalogues, etc., of Canadian manufactured goods. A great many inquirers have been able to secure what they needed, while others have found that the goods needed were not made in this country. During the past two years quite a number of new industries have started in Canada. Many others operating here on a small scale before the war have been forced, owing to the rush of business, to enlarge their plants and even now they are hardly able to cope with the flood of orders.

What Some Manufacturers Are Doing.

One concern, and it is typical of a number in Canada, was operating in a small way before the war. Its trade was purely local and at times it had difficulty in keeping the plant running to full capacity. Following the outbreak of the war the demand for this factory's products became more pronounced. Then the export demand became more insistent. The factory started to run full time, then a night shift was added, and still the factory was unable to meet the demand. A good-sized addition has been built and even with the increased facilities the plant is running full time and is building up a nice export trade as well as catering to an increased home consumption.

One large Canadian manufacturer making iron and steel products which are handled almost entirely by the hardware trade, has since the outbreak of war created a special export department and is giving special attention to all foreign inquiries. In addition to making many lines for export, this firm is equipped to make special forgings or castings when large quantities (10,000 or over) are required.

Another large and well known firm is now doing a large business in linseed oil, dry paint, colors, etc. This firm is preparing and planning to have a full export business in paints, varnishes, dry colors, oxides, linseed oils, and other paint materials.

Another large firm and one of the oldest in Canada, doing a huge business with the Canadian hardware trade, is exporting goods to Great Britain, South Africa, New Zealand, British West Indies. This particular firm has sufficient orders on hand for export to keep this branch of the business busy for at least six months. Although this firm has a good export trade connection, plans are being made to handle more export trade when the war is over.

Another manufacturer making, among other lines, such goods as are used in residences for domestic purposes, has already entered the South African market and the goods are being handled through a New York house. This firm has also appointed an agent in England who has a complete line of the manufacturer's samples. At present, owing to the goods being bulky, there is an embargo on some of the products made by this firm. However, the Canadian manufacturer and the English representative expect to do a big business after the war is over.

One large firm had travelers abroad prior to the war. When the war was declared travelers were called in because it was expected that before long ocean freights would advance to such an extent that it would practically prohibit the export of the rather heavy and bulky products of this firm. However, since the outbreak, and with the heavy freight rates, this firm has shipped several large consignments to different foreign countries. This firm has a good connection in England and India. Prior to the war it did some business in South America. The company is now negotiating with South African firms and hopes to develop a good connection in the latter country. The company makes up special goods to meet the requirements of foreign markets, and hopes to greatly increase its foreign trade after the war is over and shipping facilities have become improved. The company has issued special catalogues in English and Spanish.

Still another large manufacturing firm which has been established in Canada for many years, is selling in foreign markets, but principally within the British Empire, such as the British Isles, New Zealand, Australia, British Guiana, South America, West Indies, India. This firm also ships some goods to the United States and has a connection in Russia.

Immense Exports of Steel and Iron

Exports of iron and steel since the outbreak of the war have reached figures which a few years ago would have been thought almost impossible. Several large manufacturing concerns are shipping immense quantities of iron and steel products, including the following: Bar iron, bar steel, wire nails, wrought pipe, nail wire, annealed wire, galvanized wire, barbed wire, tinned mattress wire, horse shoes, bolts, nuts, etc. For the twelve months ending September, the exports of iron and steel and manufactures amounted to $62,250,158, as compared with only $14,391,746 in the calendar year 1914.

Immediately upon the outbreak of the war, Canadian manufacturers or their representatives visited England and secured large orders for iron and steel products. Arrangements were made whereby Canadian firms were to pack or ship the goods to conform with the requirements in England. Take, for instance, wire nails. These had to be packed in containers which were different to those ordinarily used in the country. Details of this kind were arranged quickly and since then huge quantities of goods have been exported despite the amazingly high prices prevailing. No doubt Canadian firms will continue to hold, after the war, a very considerable portion of the export trade they are now enjoying on iron and steel products. And there is no reason why Canada's export trade in these lines should not continue to increase for many years to come, though of course there may be some recession immediately after the war.

EXPORTS FOR THE TWELVE MONTHS ENDING SEPT. 31.

Canadian Produce— Exports.	1913.	1914.	1915.	1916.
The fisheries	18,382,137	19,964,899	21,362,398	23,274,772
The mine	$ 58,642,651	$ 57,174,939	$ 55,428,149	$ 77,436,746
The forest	44,026,986	42,191,112	47,241,070	53,952,950
Animal produce	44,911,905	62,034,576	86,197,377	111,331,332
Agricultural products	165,372,585	179,110,844	136,573,766	396,455,537
Manufactures	50,280,990	63,355,892	125,009,041	361,381,419
Miscellaneous	115,207	224,830	3,035,284	8,107,248
Total, Canadian produce	$ 381,732,462	$ 424,057,093	$ 474,937,085	$1,031,940,004
Foreign produce	26,841,724	44,153,917	43,045,155	20,985,647
Total exports, merch'dise	408,574,185	468,210,010	517,982,240	1,052,925,651
Coin and bullion	17,130,611	20,212,147	94,628,533	225,552,035
Total exports	$ 425,704,796	$ 488,422,157	$ 612,610,773	$1,278,477,686

Exports of Raw Materials.

But while Canada has made gallant headway in manufactures, she has not gone back in exports of products of the farm, forest, mine, or fisheries. There has not been, it is true, such large increases of exports of produce of the mine as we might wish, though more in 1916 than before, and there has been scarcely any increase of exports of products of our fisheries. But there has been a considerable increase in products of the forests, due especially to exports of wood pulp and planks, especially in the last year. Products of the farm classified as animal produce have increased very rapidly from $44,911,905 for 1913, to $86,197,377 for 1915, and $111,331,332 for 1916. Exports of agricultural products have increased from $165,372,585 in 1913, to $179,110,844 in 1914, to $136,573,766 in 1915, and $396,455,537 in 1916. Of course, this last includes the bumper crop of 1915, but the calendar year, 1916, would include a smaller crop at higher prices, and almost as great values. It is interesting to note great increases in 1916 in oats, barley and wheat flour, and especially wheat.

Trade Doubled in Year.

Government figures just issued, will demonstrate more than anything else how Canadian trade has developed since the outbreak of the war.

Total Canadian trade, exclusive of coin and bullion, for the twelve months ending October, amounted to $1,773,069,433. This shows an increase of $800,844,142 over the total for the corresponding twelve months of 1915, and of $799,219,328 for the corresponding period of 1914.

Total trade for the month of October alone amounted to $158,512,286, an increase of nearly thirty-five millions over October, 1915, and of seventy-two millions over the trade for October, 1914.

Total exports for the year ending October, amounted to $1,056,139,320. This shows an increase of $505,000,000 over those for the 1915 period, and of almost $600,000,000 over the corresponding period of 1914. For the month of October alone there was an increase of over $37,000,000 in exports over October, 1914. The total value of exports for October amounted to $87,315,734. For the month of October, 1916, manufactures headed the list of exports with over $28,000,000, as against only $12,000,000 for 1915, and $7,000,000 for the same month in 1914. During 1914, manufactured products provided about 14 per cent. of the exports; 1915 provided about 25 per cent., and 1916 for the same period reached 32 per cent.

Out of Our Swaddling Clothes.

From the dimensions that our export trade has taken on during the past year, it is plainly evident that Canada has stepped out of her swaddling clothes into a new era. There are some who take a pessimistic view of the situation and assert that it is but a transitory condition and that after the war the export trade will fall off again. But there are a great many also who believe that what the Canadian manufacturers and business men have secured in this changing time of war they will hold, and as the years progress secure an even larger share of trade in the markets of the world.

The Balance of Trade

BEFORE the war Canada had an adverse balance of trade that was the subject of a great deal of discussion. But it was generally understood that the great share of the imports—certainly more than the adverse balance of trade—was going into permanent improvements such as railways and factories. From Confederation until 1912 Canada's adverse balance amounted to about $2,000,000,000. Another $300,000,000 were added in 1913. The interest on Canada's debt payable each year together with pre-Confederation indebtedness brought Canada's debt up to about $2,800,000,000 bearing interest at about $120,000,000 annually. As is now well known things began to change in 1913 and 1914 and in 1914 the adverse balance fell to $171,000,000.

Balance of Trade in 1916 By Months

The figures in the following table are of interest in showing the values of imports and exports by months. It is notable that the months of May, June and July show a large volume of exports and favorable balance. This is due doubtless to the movement of grain after the opening of navigation from Montreal and on the lakes. It is important to note, however, that during every month in the last year Canada had a favorable balance and that for the twelve months ending October the balance amounted to $455,771,481.

EXPORTS AND IMPORTS OF MERCHANDISE AND BALANCE OF TRADE BY MONTHS.

	Imports	Exports		Balance
1915—				
November	$ 45,217,559	$ 94,436,093	+	$ 49,218,534
December	45,690,721	93,594,603	+	47,903,882
1916—				
January	50,170,465	85,447,046	+	35,276,581
February	51,654,968	58,763,033	+	7,108,065
March	62,034,605	89,580,148	+	27,545,543
April	50,147,830	55,901,096	+	5,753,266
May	69,697,812	106,486,502	+	36,788,690
June	66,399,538	149,983,169	+	83,583,631
July	63,622,687	160,601,610	+	96,978,923
August	72,331,114	98,321,161	+	25,990,047
September	68,766,262	92,271,399	+	23,505,137
October	71,196,552	87,315,734	+	16,119,182
	$716,930,113	$1,172,701,594	+	$455,771,481

Canadian Banks and Branches

Following is a list of Canadian Banks, with comparative statements of their branches covering the past five years. It will be found that there has been a tendency to reduce the number of branches—particularly in the Western Provinces—although in Quebec Province some increases are noted.

Location of Branch Banks, 1912, 1913, 1914, 1915 and 1916.

	1912	1913	1914	1915	1916
Montreal.					
Alberta	13	12	10	10	9
B. C.	27	30	30	27	28
Manitoba	8	8	7	7	8
Maritimes	24	24	24	24	24
Ontario	51	55	57	57	57
Quebec	30	34	35	35	35
Saskatchewan	7	8	10	10	10
Elsewhere	8	9	9	9	9
Quebec.					
Alberta	4	5	5	5	2
B. C.	2	3	2	2	2
Manitoba	1	1	1	1	1
Maritimes	..	1	1	1	1
Ontario	7	7	10	10	9
Quebec	24	24	25	23	22
Saskatchewan	14	13	15	12	12
Nova Scotia.					
Alberta	3	3	4	4	4
B. C.	3	4	3	3	3
Manitoba	1	2	2	2	2
Maritimes	46	67	71	71	71
Ontario	25	27	71	75	71
Quebec	8	9	11	11	10
Saskatchewan	7	8	5	5	5
Elsewhere	21	23	27	27	31
B. N. A.					
Alberta	5	5	5	4	4
B. C.	17	21	20	18	18
Manitoba	7	9	9	9	9
Maritimes	6	6	6	6	6
Ontario	20	22	22	21	21
Quebec	9	9	9	9	9
Saskatchewan	22	23	22	22	21
Elsewhere	3	4	4	4	4
Toronto.					
Alberta	6	6	6	6	6
B. C.	4	5	5	4	4
Manitoba	9	8	8	8	8
Maritimes	..	..	..	..	..
Ontario	65	66	69	68	68
Quebec	9	9	9	9	9
Saskatchewan	23	20	20	20	20
Molsons.					
Alberta	5	4	4	4	4
B. C.	3	3	3	3	3
Manitoba	2	2	2	2	2
Ontario	46	47	48	49	49
Quebec	29	30	35	38	38
Nationale.					
Ontario	1	1	1	1	4
Quebec	111	124	154	200	217
Elsewhere	1	1	1	1	1
Merchants.					
Alberta	41	44	46	43	43
B. C.	8	10	9	6	6
Manitoba	14	15	19	19	19
Maritimes	2	3	2	1	1
Ontario	70	75	90	87	90
Quebec	17	24	26	26	28
Saskatchewan	16	19	21	19	20
Elsewhere	1	1	..	..	..
Provinciale					
Maritimes	2	4	3	3	3
Ontario	2	4	9	11	13
Quebec	44	51	55	86	90
Union.					
Alberta	46	48	51	50	52
B. C.	17	20	23	18	11
Manitoba	46	49	49	48	46
Maritimes	2	2	2	2	2
Ontario	90	93	95	94	91
Quebec	10	14	14	13	10
Saskatchewan	81	90	91	94	94
Elsewhere	1	1	2	2	2
Commerce.					
Alberta	49	53	52	52	51
B. C.	41	44	44	42	42
Manitoba	22	23	23	23	23
Maritimes	20	23	22	21	21
Ontario	79	82	87	89	89
Quebec	90	82	82	81	79
Saskatchewan	53	57	60	58	59
Elsewhere	9	9	9	9	9
Royal.					
Alberta	27	29	31	30	25
B. C.	41	46	46	39	39
Manitoba	4	4	4	4	4
Maritimes	68	71	71	72	74
Ontario	114	121	124	120	117
Quebec	16	28	36	31	29
Saskatchewan	23	25	25	25	24
Elsewhere	33	39	42	46	52
Dominion.					
Alberta	9	10	7	5	4
B. C.	3	6	4	4	2
Manitoba	10	10	10	10	10
Ontario	56	60	63	63	61
Quebec	4	4	4	4	4
Saskatchewan	7	7	5	4	4
Elsewhere	1	1	1	1	1
Hamilton.					
Alberta	9	7	7	7	8
B. C.	11	10	9	9	8
Manitoba	27	27	26	25	26
Ontario	59	59	61	58	57
Saskatchewan	24	22	21	22	20
Standard.					
Alberta	5	7	8	8	11
B. C.	1	1	1	1	1
Manitoba	1	2	2	2	2
Ontario	96	99	101	101	99
Saskatchewan	..	..	1	2	1
Elsewhere	9	7	9	9	9
Hochelaga.					
Alberta	1	2	3	3	3
Manitoba	3	4	3	3	5
Ontario	2	5	9	9	14
Quebec	27	67	70	101	120
Saskatchewan	..	1	2	2	2
Ottawa.					
Alberta	1	1	1	1	1
B. C.	2	3	2	1	1
Manitoba	7	7	7	7	7
Ontario	63	63	65	64	63
Quebec	11	11	12	12	13
Saskatchewan	11	11	11	10	9
Imperial.					
Alberta	14	14	14	12	10
B. C.	17	17	17	16	15
Manitoba	5	5	4	4	4
Ontario	67	70	74	76	74
Quebec	5	5	4	4	2
Saskatchewan	12	14	14	13	15
Home.					
Alberta	..	..	1	1	1
B. C.	1	1	1	1	1
Manitoba	6	6	6	6	6
Ontario	27	29	29	28	29
Quebec	..	10	9	5	3
Saskatchewan	4	4	4	5	5
N. Crown.					
Alberta	6	5	5	4	4
B. C.	13	11	10	8	8
Manitoba	21	21	22	20	20
Ontario	25	23	23	23	23
Quebec	2	..	..	..	..
Saskatchewan	48	52	52	50	52
Sterling.					
Manitoba	4	4	4	4	4
Ontario	45	44	44	42	42
Quebec	1	1	1	1	1
Saskatchewan	2	2	2	2	2
Weyburn.					
Saskatchewan	10	10	11	14	18

Large Imports Indicate Extravagant Spending

(Continued from page 17.)

Note that our imports of provisions have almost quadrupled though it must be admitted that exports of provisions have increased over 1915 by $25,000,000. Imports of vehicles — mostly motor cars—have doubled; imports of gutta percha and oils—both of them to a considerable extent for motor car use—have greatly increased. Note the increase of $10,000,000 in sugars and of $17,000,000 in woolens, and a similar increase for cottons. Similarly one might point out increases for fancy goods, furs, fruits, silks, and tobacco included in the list. Figures might also be given for coffee, cocoa, tea, watches, furniture, precious stones, paintings, etc. Yet our population has decreased and our production in all lines is almost if not quite as great as before the war, and in some lines it is greater. Our consumption per capita has greatly increased along luxurious lines.

Imports for Consumption.		1914.	1915.	1916.
		Twelve Months Ending October.		
Dutiable goods	$ 2	$327,479,486	$247,228,953	$396,798,946
Free goods	1	187,106,478	174,448,264	320,131,167
Total imports (mdse.)	3	514,585,964	421,677,217	716,930,113
Coin and bullion	5	92,855,571	56,531,364	49,464,853
Total imports	8	607,441,535	478,208,581	766,394,966
Duty collected		87,897,619	83,288,392	132,483,207

Imports of Raw Materials.

But one must not lay too much stress on extravagance. Some of our imports are for productive consumption, partly for domestic use, but partly for export. The following table, however, includes practically all of these items:—

	Twelve months ending Sept. 31. 1913.	1916.
Coal and coke	$31,680,890	$37,753,485
Cordage rope twine.	3,985,970	6,692,185
Drugs, chemicals, dyes	13,001,253	24,571,638
Electric apparatus	4,659,173	5,325,659
Metals & mfres of	78,042,517	132,536,188
Including iron & steel & mfres of	58,616,248	99,757,805

The increase in iron and steel and manufactures thereof explains to a large extent the increase in metals and it is well known that this increase in imports is turned into articles which are subsequently re-exported. It seems a pity that with our ores and our coal and electric power we have not been able to keep these items down.

Imports by Countries.

An analysis of the imports by countries shows some interesting facts. The following table:—

Imports by Countries	1913.	1914.	1915.	1916.
	Twelve Months Ended September.			
Australia	584,105	512,978	870,929	3,183,485
British Africa	504,543	463,560	115,313	261,335
" East Indies	7,455,266	5,955,809	6,964,615	7,469,385
" Guiana	3,438,514	3,906,011	3,590,370	5,337,155
" West Indies, including Bermuda	4,122,308	5,759,031	5,725,360	10,999,828
Newfoundland	2,146,644	1,463,388	1,450,506	1,694,401
New Zealand	3,232,256	3,699,229	3,728,713	4,347,648
United Kingdom	145,009,241	109,469,925	73,896,608	114,504,971
Other British	1,491,009	2,210,891	3,624,991	3,025,464
Argentine Republic	3,714,325	3,195,812	3,793,370	3,024,018
Belgium	4,588,228	3,605,288	175,461	39,154
France	14,898,017	12,512,521	5,650,238	6,405,631
Germany	15,233,234	11,606,681	273,092	27,119
Holland	3,258,731	2,386,375	1,217,271	1,094,905
Japan	2,884,764	2,378,880	3,155,466	6,283,777
United States				
Merchandise	440,985,091	338,913,520	286,082,007	518,848,540
Coin and Bullion	5,294,970	41,299,733	107,174,841	29,893,934
Other foreign	29,451,111	23,832,484	16,879,460	19,416,208

shows that imports have been increasing particularly from Australia, the West Indies, New Zealand and other British countries, even over the boom year, 1913. This shows particularly in the class of goods referred to as due to luxury in this article—sugars, provisions, etc. Imports have also increased over 1913 from Japan and "other foreign" countries. There have been notable declines in imports from Belgium, Holland, France, and especially Germany, since 1913, and the decline has been going on steadily.

Most interesting, however, are the figures for Great Britain and the United States. Imports from Great Britain have increased over 1915, but they are little more than in 1914, and considerably less than in 1913. Imports from the United States are nearly twice as great as in 1915, and very considerably greater than in 1914, and even 1913. Canadian imports from the States are five times the importations from the United Kingdom. Canada is still the third best customer of the United States—France having displaced Germany—and it is interesting to know that in the past year Canada took more United States goods than all Asia and South America combined, as the following table shows:—

UNITED STATES EXPORTS (Fiscal Year Ending June 30).

Country.	Population	1914. Total	Per Capita	1916. Total	Per Capita
United Kingdom	45,500,000	$594,000	$13.05	$1,518,000	$33.36
Germany	65,000,000	344,790	5.30	200	....
Canada	7,250,000	344,710	47.55	466,000	64.27
France	40,000,000	159,000	3.98	630,000	15.75
Asia	900,000,000	113,000	.12	278,000	.31
South America	35,000,000	124,000	3.54	180,000	5.14

Figures showing per capita imports from the United States are particularly startling when compared with figures of other countries, particularly as Canada is not importing munitions.

This reflects doubtless our increase in borrowing in the United States just as the decline in imports from Great Britain over 1913 reflects in part the disappearance of borrowing in England. The situation makes us ask the question, How long will Canada, which professes to want to curtail imports from the United States, continue to raise loans in the United States for the war and other purposes rather than raise funds at home by saving the money from consumption either voluntarily for investment in war loans or by taxation for the direct and immediate benefit of the National Government?

BETHLEHEM AND KRUPPS.

Schwab's Concern Now Larger Than Big German Works.

The Bethlehem Steel Corporation is now 50 per cent. greater than the greatest ordnance plant of Europe, the Krupps Works. This is stated on the authority of Charles M. Schwab, head of the Bethelehem corporation. Here are some Schwab facts, as taken from a recent speech of the American steel king:

Bethlehem Steel has planned a building and construction programme involving an outlay in the next few years of $100,000,000, the largest construction programme ever undertaken by a single industrial corporation.

Bethlehem will suffice to serve the needs of the United States. Europe will not need Bethlehem's aid after peace comes.

Bethlehem Steel is building fully one-third of all the ships now under construction in this country. Besides battleships, submarines, and other war vessels, the plant is turning out one 10,000-ton merchant vessel every week, fully equipped.

Bethlehem Steel, at a cost of $4,500,000, will build a plant fitted to build 16-inch guns exclusively. The Navy Department has given absolutely no aid to this project, and the project can not possibly pay as an investment. The plant will be a contribution by Bethlehem Steel to the safety of the nation.

In 1916 Bethlehem Steel employed 23,000 men and now some 70,000 are on the payroll. In 1915 the payroll amounted to $22,500,000, and now it is $72,000,000, or $6,000,000 a month. Average per employee was $900 a year in 1915, and now it is over $1,200.

Mr. Schwab made only one suggestion in the course of his speech. He lamented the fact that this country was not keeping pace with Europe in shipbuilding. The increase of 826,000 tons of shipping in the American merchant marine since June 30, 1914, he pointed out, was due to transfers of flags to the extent of 622,000 tons. The actual increase in construction was only 204,000 tons. Half of the ships now building in American yards are for foreign owners. American ships, under existing laws and in normal times, Mr. Schwab pointed out, could with difficulty compete with foreign ships.

Farmer's War Profits

Agriculturists Have Added Enormously to Their Earning Capacities, and This Has Turned Their Attention to New Investment Fields — The War Loans, Mortgages and Other Attractive Securities.

By H. Waddington, Managing Director, Standard Reliance Mortgage Corporation.

IN these days of stress, great changes have taken place in the financial position of many of our people. Manufacturers, who before the war depended largely upon an export trade, have seen their capital diminish by reason of the interest charges encroaching upon their investment owing to the closing of factories. On the other hand, some classes who had depended upon a purely local trade for an existence, have during the last two years made themselves very wealthy by manufacturing war supplies.

The farmer has neither lost capital nor has he made great profits—the latter contemplating the purchase of a certain commodity and selling it at an increased price—but he has added enormously to his earning capacity, and this is limited only by his ability to produce. Speaking from a purely productive standpoint, it is hard to conceive just what amount in dollars and cents the war has brought to Canada by way of increased earnings to the farming or producing class. Before the war, wheat, oats, barley, beef, pork, mutton, butter and eggs all brought prices that gave a fair return to the farmer, but we are now paying for the same commodities largely increased prices, while the cost of producing has not increased in anything like the same ratio as far as the farmer is concerned, and if we take a special crop, such as beans, we find that he is in receipt of four times as much money per bushel as he was three years ago. As a result, we see the farmers' saving deposits increasing by leaps and bounds. So much is this the case that the financial world is amazed at the Government returns from time to time showing the vast wealth accumulating.

New Investment Fields.

For the farm community, a rapid increase in wealth brings with it naturally a lessened market for local investment, and one wonders what channel will be found for the farmer to put out his surplus in such a way as to give him a fair return for his money, and at the same time free him from worry as to its safety. Hitherto mortgage loans have been very attractive, the local lender as a rule having sound ideas as to values in the district, but with the demand lessened owing to the increased accumulation locally, he must look further afield.

Temporarily, the Government war loans have proven very attractive, and these issues have been a very large factor in broadening the views of the people. It is surprising to find how little the general public know as to what a bond or debenture is. They do know that the Government borrows from time to time, but as to the character of the document given for the money, very few people have any knowledge. From a patriotic standpoint, they have subscribed freely, and having paid over their cash, they received in return a printed document, making on behalf of the whole country a definite promise to pay a given sum at a definite stated period, with provision by coupons for the payment of interest, such coupons being payable at any bank on the due dates. How different to the old days when, if they asked John Smith for the interest on his mortgage on the day it was due, they were looked upon as Shylocks, and if when lending they did not advance all that the borrower asked, they were put down as being too grasping in the way of security.

Avoiding Speculation.

A farmer cannot afford to speculate, and there is no necessity for his doing so, as given a laudable ambition to get on, a fair amount of intelligence, and a proper consideration to the investment of his surplus earnings, there is no class that can generally attain a fuller measure of success.

Collective direction is invariably better than individual. The Government can raise more money and can accomplish more with it than the individual, and the same is true of the banks, mortgage corporations, and other bodies having the control of funds. Monies are collected from individuals all over the country, and the collective direction of the corporation using it can use it to better advantage, make fewer losses, and give general service better than any one or two persons, individually and locally.

Selecting a Proposition.

Success in business as a rule resolves itself into a question of men. Failures are made, not for want of ability or intelligence in many cases, but by reason of a lack of balancing power that will spring when the opportunity comes in proper order, and will apply a brake in times of overconfidence. For this reason industries that are purely local in character should be avoided as a means of investment for the farmer excepting when they have been long established and the market for their output beyond question.

Governments, municipalities and corporations having as their functions the assisting of the development of production and requiring money for this purpose, are finding an increasing sale of their bonds and debentures among the farming community and rightly so. The Government borrows to find transportation for the farmers' produce; the municipality borrows to develop the roads to the city or town in which the farmer finds a market, and the mortgage corporation borrows to lend again to the farmer and others to assist in producing more.

The security for the money thus raised is based on the ability of the country to produce, coupled in each case with a charge upon the land, and with the record of Canada to produce. Established as it is, what better security could one imagine?

What Another Year of War Has Brought

(Continued from page 25.)

the other, may render regulations and supervision alike ineffective, and people may continue to hoard, supply or buy food in defiance of the authorities. Thus, in Germany, according to a circular issued in the end of December, 1916, by the president of the Food Regulation Board, "the system of fixing maximum prices and pre-empting commodities for public consumption has only worked well as regards grain. It has proved a failure with perishable commodities."

This is quite what might have been anticipated. Where a commodity is readily susceptible of standardization, it seems to be possible by means of stringent police supervision to enforce a legal price, while in the case of commodities which cannot be so standardized it seems to be impracticable. There remains, however, the further question. Under siege conditions, production rather than price is the essential thing. If the fixation of a legal price contributes to the increase of production, then such fixation is an economic advantage under the given conditions; but if on the contrary, fixation of a legal price contributes to the diminution of production through dimunition of inducement to produce, there is a net disadvantage to the community. In Canada nothing could be more foolish than an attempt on the part of the Government to regulate the prices of food. Any attempt to fix a maximum price, say, of grain, which, according to the experience of Germany, is the easiest case, must lead to the exportation of grain, provided the price offered by foreign countries is greater than the domestic legal price. Since exportation would limit the supply available for domestic demand, the increase of legal price must be inevitable, otherwise all the grain would leave the country, provided the foreign demand were sustained. If concurrently the price of grain were fixed by Government regulation and ocean freights were artificially reduced by a similar act, the Government would liberate two forces pulling prices in contrary directions. The reduction of ocean freights would tend to the increase of prices and the fixation of a maximum price of grain in so far as it had any effect, would tend to depress prices. Indeed, solely for the latter object would regulation of prices be instituted. The increase of production, the demand being the same, is the only real force making for reduction of price, and this increase of production is automatically induced by high prices. The cure for high prices, in so far as such an expression is applicable, is high prices.

The Situation in the United States.

The extent to which industries in the United States have been stimulated by the war is rendered very evident by the exhibition of nervous apprehension that peace may ere long be concluded. This nervous apprehension exhibited itself recently in the collapse of the New York market. It may be that the prices of stocks were unduly high and that they would have fallen in any case, but the coincidence of the note of President Wilson and the collapse of the market cannot be supposed to be accidental. The occurrence suggests a highly delicate state of industrial equilibrium in the United States, as well as ground for apprehension that when peace does come a similar movement may be expected. Probably the most influential factor in the present situation is reluctance to engage in fresh enterprises on account of the abnormally high cost of labor and of construction materials.

In Canada, general business seems to have gradually adjusted itself to the abnormalities of the time, although the scarcity and high price of labor have greatly added to the uncertainties of business enterprise. Fresh enterprises cannot wisely be undertaken unless they offer reasonable likelihood of continuance for a time of high profits. The only substantial and automatic check against undue increase is the high price of labor and materials. As Canada becomes more industrialized and as the commerce of Canada is drawn more into the network of the commerce of the world, it becomes more important for her that sudden financial and industrial cataclysms should not occur. It may therefore be hoped that no legislative interference may be attempted with the automatic checks against undue expansion which are afforded by the ordinary operations of the markets. If business is conducted with prudence, and if these automatic checks are left to regulate the course of manufacturing and trade, it may confidently be hoped that the period of the liquidation of the war may for us not be a period of excessive strain. Much, however, will depend upon resistance to temptation to undue expansion during the period of the war, as well as upon determination to preserve our resources in as liquid a form as possible, and above all, to strict avoidance by the Governments of the Dominion and of the Provinces, as well as those of the municipalities, of all expenditure upon public works, the construction of which is not of the most urgent necessity from the point of view of sanitation. Indeed, it is clear that all expenditures upon works which cannot in the nature of the case become revenue bearing for any long period, must be eschewed, whether these are contemplated by Governments or others.

It must be realized that no matter what success we may have in borrowing, either abroad or at home, for the purposes of the war, the date at which we must provide for our loans by way of interest and principal funds cannot long be postponed. This means a considerable addition to taxation. The taxes must be paid out of our annual revenue, therefore, in order to avoid hardship, we must be prepared to avoid all expenditure which does not more or less speedily increase that revenue. The ease with which Canada emerges from the ordeal of the war in an economic sense will be shown by the rapidity with which she meets the charge imposed upon her by the war. Some of that charge may be passed to the next generation, the whole of it ought not to be. The next generation may have financial obligations to incur on its own account. If this principle is accepted, we must submit to a very considerable increase of taxation, in this respect following the good example of Great Britain.

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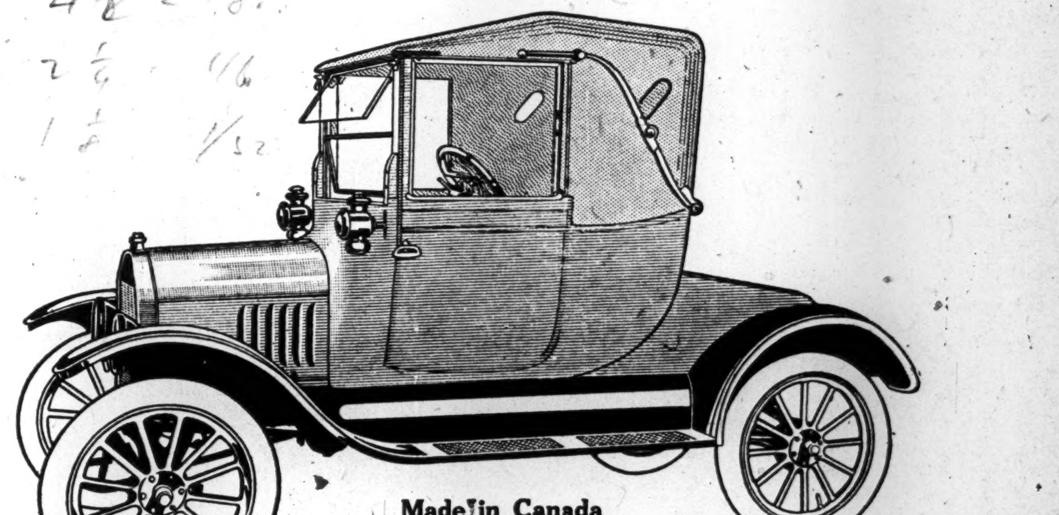

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PRICE RECORD OF CANADIAN STOCKS FROM 1909 to 1916

Quotations of Montreal and Toronto Stock Exchanges. Banks, and Loan Companies' Stock Prices Review

	Range for 1916				Range for 1915				Range for 1914				Range for year 1913				1912		1911		1910		1909	
Stock.	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Low	High	Low	High	Low	High	Low
Ames-Holden, com	35	June	19½	July	23	Nov.	** 7⅞	Apl.	16	Feb.	6	Jan.	15	Aug.	9½	Dec.	...	...	...	...	...	...	...	...
Ames-Holden, pref	80½	June	52	July	75	Nov.	55	Jan.	70¼	Feb.	54	June	74	Aug.	67½	Dec.	...	...	...	...	...	...	...	...
Barcelona, com	17	Aug.	9	Jan.	17⅜	Jan.	** 7⅜	Jan.	35⅛	Feb.	15	Dec.	41	Sept.	25⅛	Dec.	...	...	...	...	...	...	...	...
Bell Telephone	152	June	140	Aug.	159	Nov.	140	Jan.	159¼	Feb.	143	July	173	Jan.	138	July	176½	145	153	†140	148	†141¼	150	138
Brazilian, com	62⅝	May	43	Dec.	59¾	Apl.	45	Aug.	92	Jan.	53½	July	101	Jan.	80¼	Dec.	100½	84	...	...	...	...	...	...
Brazilian, pref	...	....	...	....	..	....	...	....	..	....	..	....	99	Sept.	99	Sept.	...	...	...	...	...	...	...	...
Rio de Janeiro Tram	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	160	112	117⅛	*101⅜	105	86⅞	103½	79
Sao Paulo	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	270	186½	190	148¾	153	135	161	142¼
B. C. Packers, com	...	....	...	....	124	Nov.	105	Jan.	143½	Feb.	111	July	160	Mar.	*120½	Nov.	161	65	96	†84	39⅛	25	102	70
B. C. Packers, pref	147½	Jan.	58	July	..	....	*115	....	..	....	..	....	160	Jan.	†123	July	160½	95	100½	90⅝	...	...	101	75
B.C. Fishing & Packing	67	April	58	Oct.	65	....	57½	....	..	....	..	....	..	....	...	....	...	...	...	...	...	...	...	...
Burt, F. N., com	88	Dec.	72	Jan.	70	Nov.	70	Nov.	88	Feb.	65	M	†101	Jan.	64	July	117	*95	118¾	96½	96	59	59¼	5
Burt, F. N., pref	96	Sept.	86	Dec.	94	Dec.	89	Jan.	100	Jan.	89	July	106	Jan.	†89⅞	July	119½	*101	122¼	108	107⅞	94	93½	91
Calgary Power	...	....	...	....	..	....	*59	....	59	....	53	....	..	....	..	....	...	...	...	...	...	...	...	...
Canada Bread, com	30	Jan.	16½	Dec.	31⅛	Apl.	29	Jan.	33	May	18½	Jan.	34¾	Jan.	17½	Aug.	38¼	29⅞	...	...	...	...	...	...
Canada Bread, pref	90	Jan.	87	May	..	....	*90	....	..	....	..	....	..	....	...	....	...	...	...	...	...	...	...	...
Canada Cement, com	73	June	37¾	Jan.	48½	Nov.	28	Jan.	32	Mar.	28	Jan.	36	Sept.	25¾	July	31¾	26	31¼	20	25	15	...	...
Canada Cement, pref	98	May	86	Sept.	98½	Nov.	89¾	Jan.	93	Jan.	88	June	94½	Oct.	88	June	95½	87	92	80	90⅝	78	...	...
Canada Steamships, com	45	Dec.	14	Jan.	20	Nov.	**6	Mar.	18	....	9⅜	....	..	....	..	....	...	...	...	...	...	...	...	...
Canada Steamships, pref	95½	Dec.	69¾	Jan.	76	Nov.	59	Mar.	76	....	59	....	..	....	..	....	...	...	...	...	...	...	...	...
Can. Car and Fdry, com	75	Jan.	32	Dec.	120	Aug.	50	Apl.	70	Feb.	48	June	83½	Apr.	56	Nov.	92	61	75	†62	65	†60	106	75
Can. Car and Fdry., pref	94	May	61¾	Jan.	127	Aug.	98	Apl.	109½	Mar.	98	July	118	Jan.	104½	Dec.	116¾	102	109	101¾	104	98	125	†110
Can. Con. Rubber, com	99	April	34	June	91	Aug.	91	Aug.	91	Jan.	91	Jan.	†83	Dec.	80	Apr.	86¼	84	99¼	†85	102½	†90	49½	34½
Can. Con. Rubber, pref	97	Mar.	91	Mar.	101	Nov.	100	Nov.	97	Jan.	96½	June	98	Feb.	†95	Nov.	100	100	106	100	119¼	100	...	...
Can. Converters	46	Nov.	34	Jan.	34	Jan.	34	Jan.	40	Jan.	34	July	50	Jan.	39	Dec.	48	30½	45¾	32¾	46½	33	...	...
Canadian Cottons, com	65	Oct.	39	Feb.	40	Nov.	24	Jan.	39	Feb.	24	June	45	Apr.	31	June	35¾	16¼	24½	†17	25	23¼	...	...
Canadian Cottons, pref	82½	Nov.	75½	Jan.	77	Dec.	71	Jan.	79	Feb.	70½	May	82	Apr.	*72	June	78½	69	79	60	73	71	...	...
Carriage Factories, com	44	July	29¾	Feb.	55	Nov.	35	Jan.	92	Jan.	92	Jan.	†94	Nov.	†94	Nov.	...	...	...	...	...	...	...	...
Carriage Factories, pref	75	July	60	Dec.	81	Oct.	65	Oct.	..	....	..	....	..	....	..	....	...	...	...	...	...	...	...	...
Can. Fairbanks-Morse, pf	...	....	...	....	95	Jan.	..	....	..	....	..	....	..	....	..	....	...	...	...	...	...	...	...	...
Can. Forgings	217	Jan.	170	Feb.	243	Dec.	90¼	Jan.	114⅞	Feb.	90¼	July	116¾	Jan.	101	Dec.	122⅛	107	116⅝	99	120	100	123	101
Can. Forgings, pref	90	Nov.	85	May	..	....	110	Oct.	..	....	..	....	...	....	...	....	...	...	†114	112	112	112	112	110
Can. Gen. Electric, com	126	Nov.	108	April	128	Oct.	30	Apl.	45	Mar.	30	April	70	Feb.	40	July	60½	28½	35	30½	...	...	...	...
Can. Gen. Electric, pref	112	May	110	Aug.	110½	Nov.	78	Feb.	90½	Feb.	78	M	95	Jan.	86	Nov.	98	83	93	88	...	...	...	...
Can. Locomotive, com	64½	June	51	Oct.	64½	Dec.	139¾	July	219⅝	Jan.	156	M	266½	Jan.	204½	Dec.	282⅞	226¾	246⅝	196⅞	202	†177	189⅝	166
Can. Locomotive, pref	99	Sept.	81	April	90	Dec.	*110	....	115	Mar.	115	Mar.	125	Sept.	113	June	115	110	110	†100	112½	†110	112	110
Canadian Pacific Ry	182½	May	163¾	Dec.	195½	Nov.	35½	Aug.	..	....	..	....	..	....	...	....	...	...	...	...	...	...	...	...
Canadian Salt	140	Nov.	124	Nov.	..	....	75	Aug.	..	....	..	....	..	....	...	....	...	...	...	...	...	...	...	...
City Dairy, com	98	Jan.	89	May	100	Jan.	98	Jan.	102	Feb.	98	May	104	Apr.	49	Mar.	61⅛	48	60	35	40¼	29	35	15
City Dairy, pref	100½	Feb.	92	Dec.	102	Sept.	98	Apl.	101¾	Feb.	98	Jan.	104	Apr.	†97	July	102½	98	102¾	†92¼	100½	96½	102½	85
Civic Investment	83¾	Nov.	330	Dec.					...	....	...	....	...	....	...	.....	...	....	...	....	...	....	...	....
Confederation Life	350	....	79	Aug.	..	....	*350	....	385	Jan.	385	Jan.	380	Oct.	380	Oct.	...	...	...	...	300	300	277	275
Coniagas Mines	5.95	Nov.	3.90	Nov.	5.60	Jan.	3.55	Nov.	850	Feb.	600	M	†95	Jan.	650	Aug.	825	670	780	595	...	...	...	...
Consumers' Gas	176	Jan.	160	Nov.	185	Aug.	176	Jan.	180	May	169	Jan.	†191	Jan.	165	Nov.	196	189	203⅛	191	207	197½	207¼	195½
Crown Reserve	58	Nov.	39½	Nov.	1.18	Jan.	.32	Aug.	195	Jan.	100	June	411	Feb.	145	Aug.	...	290	76¼	68¾	410	255	600	260
Crow's Nest Pass	83	Nov.	71	Nov.	..	....	*50	....	70	Feb.	500	April	62	Apr.	50	Nov.	370	...	362	240	92	75¾	100	75
Detroit United	128½	Dec.	69	Jan.	73	Dec.	62	Mar.	73¾	Feb.	55	July	81	Feb.	62¾	June	...	55½	†77	†70	70	40½	71¾	55
Dominion Bridge Co	231½	Jan.	160	Dec.	237	Nov.	107	Apl.	122½	Feb.	108	July	125	Sept.	110	June	76½	...	...	...	...	...	...	...
Dominion Canners, com	22	Nov.	15	Sept.	35	Jan.	31	Feb.	68⅝	Mar.	27½	June	87	Jan.	59	Dec.	...	60	73	60	...	...	...	...
Dominion Canners, pref	65	Dec.	61½	Nov.	..	....	*85	....	96	Feb.	80	July	102½	Feb.	89¾	Dec.	86	100	105	†97	...	...	...	...
Dominion Park	...	....	...	....	..	....	*120	....	..	....	..	....	130	May	130	May	105	100	110½	†50	56	45	...	...
Dominion Telegraph	90	Nov.	86	Nov.	..	....	*100	....	102½	Mar.	99½	Jan.	103	July	95	Dec.	165	100	111	100	110	107	110	101
Dom. Textile, com	90½	Oct.	74½	Jan.	77	Oct.	64	Jan.	86⅝	Feb.	60	June	189½	Apr.	76½	July	107½	65¾	75	61	75	*59¾	...	...
Dom. Textile, pref	105	Sept.	101	Jan.	103	June	101	Feb.	106½	Mar.	100	May	105	Jan.	99	July	83¼	99	106	96¼	†110	†96¼	...	...
Dominion Steel Corp	82	Dec.	43	Feb.	51	Nov.	19⅞	Jan.	41⅞	Feb.	19⅞	July	59	Jan.	39½	Dec.	105½	54¾	63½	50¼	67	50¼	...	...
Dominion Coal, pref	99	Jan.	93	July	99½	Dec.	98	Apl.	106	Jan.	97½	July	112	Jan.	103	Aug.	69¼	106½	115	106	†120	†105	120	96
DominionIron & Steel, pref	105	June	90	June	95	Aug.	71	Jan.	94	Feb.	68	May	103	Jan.	86	Oct.	115	100	106	100	140	100	138	69⅛
Duluth, S. S. & A., com	...	....	...	....	..	....	...	....	6	Feb.	6	Feb.	...	....	...	....	106¾	...	15¾	14½	13	13	20	14½
Duluth, S.S. & A., pref	...	....	...	....	..	....	...	....	11	Jan.	9	Jan.	...	....	...	....	...	...	28	26½	28⅞	28⅞	33¼	33¼
Duluth Superior	49	June	37	Dec.	60	Jan.	55	Jan.	67	Jan.	55	July	74	Jan.	55	June	...	70	86	78½	81½	66	70¼	*63
Elec. Dev., pref	...	....	...	....	..	....	...	....	..	....	..	....	85½	Mar.	75	Aug.	80½	66	†66¼	50	65	44	60¼	50
Goodwin's, Limited, com	40	July	40	July	28	Jan.	26	Mar.	28	July	23	Jan.	44	Jan.	25	Dec.	86	45	...	...	...	...	...	...
Goodwin's, Limited, pref	75	May	40	July	..	....	*75	....	82	Feb.	74	Jan.	84	Jan.	75½	Dec.	48½	83	...	...	...	...	...	...
Gould Mfg. Co., com	...	....	...	....	..	....	*90	....	97¾	Jan.	97¾	Jan.	100¼	Apr.	100¼	Apr.	87¾	110	...	...	...	...	...	...
Gould Mfg. Co., pref	...	....	...	....	..	....	*90	....	..	....	..	....	102	May	100	Nov.	112¾	100	...	...	...	...	...	...
Halifax Tram	160	Mar.	160	Mar.	..	....	*160	....	160	Mar.	160	Mar.	160	Feb.	†151	Oct.	100¼	150	155	†129	132	117	124¾	106¼
Hillcrest Collieries, com	...	....	...	....	..	....	*24	....	45	Feb.	21	July	47¾	May	25	May	161	...	...	...	...	...	...	...
Hillcrest Collieries, pref	...	....	...	....	70	Apl.	70	Apl.	88¼	Mar.	70	June	91½	Oct.	80	Apr.	...	...	100	95½	...	...	...	...
Hollinger Gold Mine	30.25	Nov.	25.25	Nov.	29.50	Dec.	17.85	Jan.	192	June	1525	May	19.00	Apr.	14.50	Aug.	...	...	...	...	...	...	...	...
Illinois Trac., pref	91	Jan.	87¾	Oct.	93	Jan.	91	Jan.	95	June	90	Jan.	93½	Feb.	87	June	...	89	95¼	89	93½	88⅞	97⅜	91⅝
Imperial Life	...	....	...	....	..	....	...	....	..	....	..	....	149	Apr.	149	Apr.	95	...	...	...	...	...	150	150
Intercolonial Coal, com	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	...	...	55	*45	60	60	50	50
Intercolonial Coal, pref	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	...	...	†80	†80	85	75	80	75
International Coal & Coke	...	....	...	....	..	....	...	....	..	....	..	....	40	Feb.	40	Feb.	...	...	72	64	72	66	85½	70
Kaministiquia Power	...	....	...	....	..	....	*121	....	..	....	..	....	119¼	July	119¼	July	128	100	†95	†95	90	88	...	...
Lake Superior Corp	...	....	...	....	9⅞	Aug.	**9⅞	Aug.	22⅝	Jan.	16⅜	June	22¾	Oct.	21¾	Nov.	34	28	29¾	21½	...	...	29⅛	27
Lake of Woods, com	136½	Sept.	122	Sept.	137	May	129	Jan.	135	Jan.	127	May	147¾	Jan.	121½	July	145	125	152	*133¾	153	119	145½	97½
Lake of Woods, pref	129	July	116	Oct.	122	May	120	Mar.	120	Jan.	120	Jan.	†121	Oct.	115	Jan.	122	115	130	117	†128	121	†128	118
La Rose Con. Mines Co	90	Nov.	55	Nov.	87	Jan.	45	Aug.	196	Jan.	70	M	320	Jan.	172	Nov.	410	215	5.00	3.78	502	330	847	420
Laurentide Company	217½	Nov.	176	Mar.	198	Nov.	160	Feb.	192¾	Feb.	160	M	233	Jan.	140	Aug.	240	155	160	136	...	...	...	...
Lyall Construction, com	93	June	25	Jan.	32	Aug.	39	Nov.	..	....	..	....	†20	Oct.	†20	Oct.	...	...	...	...	...	...	...	...
Macdonald Co., A, com	19½	April	10	Jan.	14	Nov.	**7	Apl.	21¾	Jan.	8	July	60	Mar.	15	Dec.	...	...	...	...	...	...	...	...
Macdonald Co., A, pref	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	...	...	...	...	...	...	...	...
Mackay, com	87	Oct.	78	April	84¼	Nov.	71	Jan.	88	Feb.	57¾	M	87½	Jan.	*75	June	92½	75½	95	76	97	78¾	95½	69¾
Mackay, pref	69¼	June	64½	Dec.	70¼	Apl.	65	Aug.	71	Feb.	65½	Jan.	68¾	Jan.	61	Dec.	71¼	66	77	68	78½	†71	77½	69
Maple Leaf, com	122	Nov.	60	Jan.	68	May	30½	Jan.	47⅜	Feb.	25	July	63¾	Jan.	35	Dec.	73	60	70	39	57¼	40	...	...
Maple Leaf, pref	108	Oct.	93	Aug.	98	May	88	Jan.	101	Feb.	88	July	100	Jan.	88⅞	July	103	94	104	89½	99	88¼	...	...
Mexican L. & P., com	15	Aug.	15	Aug.	46	Jan.	46	Jan.	49⅞	Feb.	32½	April	82½	Feb.	45	Nov.	103½	80	93	80	89½	66	88½	63¼
Mexican L. & P., pref	...	....	...	....	..	....	...	....	..	....	..	....	102¾	Feb.	102¾	Feb.	104⅞	104⅞	109	103	103¼	99¼	107½	103¾
Mexico N. W. Ry	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	...	...	56¾	47¾	59¾	46¼	...	...
Mexico Tram	...	....	...	....	..	....	...	....	..	....	..	....	108¼	Jan.	108	Jan.	126	112½	...	...	127	117½	146	122
M., St. P. S. S. M., com	...	....	...	....	126¾	Nov.	116½	Jan.	134¾	Feb.	101	M	142	Jan.	116¾	June	154⅛	148⅜	152	126	145⅛	114	145⅞	135¼
M., St. P. & S. S. M., pref	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	149⅝	130	154½	†148	†152½	†150	...	...
Monarch Knitting, com	40	May	25⅛	Jan.	27	Sept.	25	Jan.	40	Jan.	25	July	87	Aug.	72	Aug.	93	85	...	...	...	...	...	...
Monarch Knitting, pref	83	July	80	June	82	Apl.	82	Apl.	92	Feb.	82	April	100	Jan.	85	Nov.	95	91	...	...	...	...	...	...
Monterey L. & P., pref	...	....	...	....	..	....	...	....	..	....	..	....	60	Mar.	60	Mar.	79	74	73¾	73	76	73½	...	...
Montreal Cottons, com	63	Oct.	50	Sept.	56	Nov.	51	Apl.	55	Feb.	50	June	63	Feb.	51	Dec.	66	45½	...	...	...	...	...	...
Montreal Cottons, pref	115	Nov.	99	Jan.	100½	Apl.	99	Jan.	103	Feb.	97¾	June	105½	Jan.	†98	July	107	100	...	...	...	...	...	...
Montreal Power	249¾	May	218	Mar.	241½	Nov.	211	Jan.	230	Feb.	211	July	240	Jan.	201	July	242½	187	...	...	...	...	...	...
Montreal Telegraph	136	Jan.	135	Dec.	..	....	*136	....	140	Feb.	134	July	147½	Jan.	135	July	150	†140	150½	144	150	144	159¾	135
Montreal Tramways	200	July	180	Dec.	220	Jan.	220	Jan.	230	July	190	Jan.	198½	Nov.	120	June	150	†115	...	...	...	...	...	...
Montreal Tram. Deb.	81¼	Jan.	75	Dec.	..	....	*81¼	....	810	Jan	475	M	960	Mar.	720	Nov.	...	...	...	...	...	...	...	...
National Breweries	...	....	...	....	..	....	*49½	....	83	....	76	....	..	....	..	....	...	...	...	...	...	...	...	...
Nat. Breweries, Pref.	75	Oct.	75	Oct.	..	....	*95	....	..	....	...	....	..	....	..	....	...	...	...	...	...	...	...	...
Nipissing Mines Co	9.20	Dec.	6.40	Nov.	8.70	Dec.	5.25	Aug.	...	....	...	....	..	....	..	....	980	575	11.30	6.52	11.75	9.50	12.91	9.26
Northern Ohio Tract	...	....	...	....	73	Jan.	73	Jan.	..	....	..	....	74	Jan.	73	Mar.	76	58½	54	39½	40	33½	36½	24
Nova Scotia Steel, com	154½	Nov.	93¼	Feb.	107	Nov.	45¾	Jan.	79	Feb.	39	June	86	Jan.	71	July	97¾	81⅝	102	85½	91⅛	68½	87½	54½
Nova Scotia Steel, pref	115	Mar.	110	Jan.	120	Nov.	110	Aug.	120	Feb.	110	June	†125	Jan.	†115	Dec.	130	†121	†130	120	125	118	122	114
Ogilvie Flour, com	152	Sept.	127⅞	June	144	Oct.	107	Jan.	123	Feb.	107	July	129	Jan.	107	July	133	*121	136¼	121	142½	119	144¾	112
Ogilvie Flour, pref	116	Jan.	44½	July	120	Nov.	113	Feb.	117	Jan.	105	July	†119	Apr.	108	Aug.	125	†118	†127	121	128	123	128	†118½
Ont. Steel Products	45	Nov.	19	Jan.	27	Nov.	15¾	Sept.	172	Feb.	124	July	192	Jan.	*143	June	...	...	...	...	...	...	...	...
Ont. Steel Products, pref.	91½	Oct.	73	Mar.	74½	Nov.	72½	Sept.	..	....	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Ottawa L., H. and P	95¼	Nov.	92	Dec.	123	Oct.	120	Jan.	..	....	...	...	...	...	...	...	175¾	145½	165	†127	131	109	108¼	100
Pacific-Burt, com	29	Jan.	20	Oct.	31	Nov.	28	Aug.	32	Mar.	28	July	41	Jan.	*28	Nov.	51⅝	38⅝	48½	†37	45	39½	...	...
Pacific-Burt, pref	83¼	Jan.	77½	Nov.	85	Dec.	80	June	85	Feb.	80	M	†90	Jan.	†81	Sept.	94	87¼	98	†88	95¼	92¾	...	...
Paton Mfg. Co	102½	July	102½	July	..	....	*65	....	..	....	..	....	70	Jan.	70	Jan.	...	...	...	...	75	75	...	...
Penmans, com	78	Oct.	60	Jan.	62	Nov.	49	Jan.	55½	Feb.	40	M	58	Jan.	49	Dec.	61½	54½	63¼	54¾	64	51	66	42
Penmans, pref	90	Aug.	82	Jan.	83	Apl.	82	Jan.	84¼	Feb.	79½	Jan.	88	Jan.	79½	Dec.	89	85	90	83⅛	90	80	93½	84
Porto Rico Rys	49½	June	30	Dec.	51	Jan.	45	Jan.	71	Feb.	45	July	72⅛	Feb.	50⅛	July	84½	70	74¼	50½	53½	34½	52½	35
Porto Rico, pref	90	Aug.	.....	....	..	....	*100	....	60	Feb.	60	Feb.	73	Feb.	65	June	...	....	..	....	..	....	...	...
Price Bros. & Co, com	132	Nov.	60½	May	..	....	*60	....	..	....	..	....	..	....	..	....	....	....	...	...	...	...	...	...
Quebec Ry. Co.	45	Dec.	14	Jan.	20½	Oct.	**9⅛	Aug.	16¾	Jan.	10	July	21½	Feb.	10	Nov.	...	...	66	53	61¾	34	69	38⅛
Riordon P. & P., common	150	Nov.	59	Aug.	..	....	*75	....	113	Feb.	82	July	119½	Jan.	101	June	60	10¼	126¾	92½	95	77	94¾	77
Riordan P. & P., pref.	96	Nov.	92	Dec.	..	....	...	....	..	....	..	....	...	....	...	....	...	...	...	...	...	...	...	...
Rogers, com.	99	Mar.	85	May	103	Jan.	96	Jan.	147	Jan.	96	July	174	Jan.	140	July	160	112	210	173⅞	†205½	146½	152	101
Rogers, pref.	99	Jan.	87	Sept.	99	Nov.	99	Nov.	106	Feb.	99	April	115	Jan.	103½	Nov.	207	170	115	106	112	104½	111	97
Russell Motor, com	114	Dec.	32	Feb.	50	Nov.	10	Apl.	20	Feb.	5	Jan.	91	Feb.	32	July	116½	110	100	90	...	...	...	...
Russell Motor, pref	139	Nov.	66	Jan.	76	Nov.	25	Apl.	49	Feb.	25	Jan.	100	Jan.	25	Nov.	115	92	106½	101	...	...	...	...
St. John Ry	...	....	...	....	..	....	...	....	..	....	..	....	...	....	...	....	118	99	110	106	105¾	100¼	†101½	†100
St. Lawrence Nav	...	....	...	....	130	Dec.	100	Jan.	110	Jan.	99	Jan.	135	Sept.	*98	Dec.	...	...	100	84¼	119	90	128½	105½
Sawyer-Massey, com.	30	April	20	July	33	Aug.	25	Nov.	30	Feb.	25	Mar.	50¼	Jan.	†30	June	117	90	40	25	...	...	...	...
Sawyer-Massey, pref.	134½	Oct.	68	Mar.	76	Nov.	69	Jan.	88	Feb.	69	July	100	Jan.	†82	Dec.	53	35⅛	93½	85	...	...	...	...
Shawinigan W. and P	137	Oct.	126¾	Dec.	139½	Nov.	110	Jan.	142¾	Feb.	110	M	149½	Jan.	119	July	99½	89	124¼	108⅛	111¼	92	103½	80½
Sherwin-Williams, com.	99½	July	53½	Nov.	57	Jan.	55	Apl.	60¼	Feb.	53	Jan.	61	Jan.	47	Sept.	54¾	122	38	26	...	...	...	...
Sherwin-Williamc, pref.	100	Jan.	97½	Sept.	100	Dec.	98¼	Jan.	103½	Feb.	95	M	103¾	Mar.	90	July	59	35½	97	86¾	...	...	...	...
Shredded Wheat, com	140½	Nov.	102¼	Jan.	102	Dec.	92	Jan.	90¾	May	78	Jan.	81¼	Jan.	74½	Aug.	101¼	93	75¾	48¾	50	43	43½	29
Shredded Wheat, pref	120	June	95	Jan.	99	Oct.	93	Mar.	94	Feb.	92½	Jan.	92¾	Jan.	90	Oct.	86	75½	...	...	...	...	97½	97½
Smart-Woods, com.	65	Dec.	33	April	45	Oct.	20	Apl.	18	June	18	June	70¼	Apr.	55	Aug.	94	90	...	...	...	...	...	...
Smart-Woods, pref.	101	June	84	Nov.	..	....	*90	....	..	....	..	....	94	May	†90	July	160	80	...	...	...	...	...	...
Spanish River, com.	24¼	Nov.	3½	Jan.	9⅝	Jan.	**3	Apl.	16¾	Jan.	9	May	72⅜	Feb.	9	Dec.	110	100	...	...	...	...	...	...
Spanish pref.	70	Nov.	29	July	35	May	35	May	51	Feb.	31	June	97½	Jan.	30	Oct.	70	41½	...	...	...	...	...	...
Steel Co. of Can., com.	88¼	Dec.	34¾	Jan.	48	Nov.	**8½	Apl.	20	Feb.	11	July	28⅛	Apr.	16	Nov.	97	88	36½	25	...	...	...	...

PRICE RECORD OF CANADIAN STOCKS FROM 1909 to 1917

Quotations of Montreal and Toronto Stock Exchanges.
Concluded from previous page.

	Range for 1916				Range for 1915				Range for 1914				Range for 1913				1912		1911		1910		1909	
Stock.	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	Low	Date	High	Low	High	Low	High	Low
Steel of Can., pref.	107¼	Dec.	82½	April	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....	...	....
Tooke Bros., com.	25	April	16	Mar.	91½	Nov.	69	May	87⅜	Feb.	69	July	91¾	Jan.	79½	Dec.	36¼	27	92	87	...	...	...	...
Tooke Bros., pref.	83	Nov.	78	Nov.	18	Nov.	16	Apl.	26	Mar.	15	Jan	60	Jan.	23	Dec.	93	87	40½	36½	...	...	...	...
Toronto Paper Co.	91	Nov.	42	Mar.	..	....	*75	....	81	Jan.	75	M	93	Jan.	79½	Nov.	54½	36	†90	86	...	...	...	...
Toronto Ry.	111	Jan.	72	Dec.	39½	Nov.	35	Sept.	61	Feb.	30	June	102	Apr.	58	Dec.	92½	86	...	...	...	...	...	...
Trethewey Mine	30	Nov.	17	Nov.	117½	Apl.	111	Jan.	144¾	Feb.	110	July	148½	Apr.	132	Mar.	72	68	169	121⅞	129½	110¼	130	107¾
Tri-City, pref.	...	....	...	....	17	Nov.	10½	Sept.	29	Mar.	15	June	45	Feb.	26	Aug.	141¼	131	121½	59	145	113½	164	129
Tuckett Tobacco, com.	25	Nov.	23½	Nov.	89	Sept.	89	Sept.	..	....	..	....	...	....	...	....	77	30	94¾	†90	95	93	93	84
Tuckett Tobacco, pref.	90	Jan.	85¾	Oct.	29¼	Apl.	29	Jan.	47	Feb.	29	June	62	Jan.	30	Nov.	94¼	93	...	...	...	...	...	...
Twin City, com.	101	May	93⅜	Dec.	90	Jan.	90	Jan.	101	Feb.	90¼	May	98	Jan.	91½	June	59½	55½	...	...	...	...	...	...
Western Canada Flour	118½	Nov.	102	Nov.	101	Apl.	93	July	108½	Jan.	93⅜	M	109½	Sept.	101	June	97	93½	111	103¾	117	103	116¼	96½
					..	....	...	....	..	....	..	....	120	Feb.	120	Feb.	111	181⅝	125	125	146	145	...	...
West India Elec.	...	....	...	....	..	....	*75	....	..	....	..	....	...	....	...	....	†125	125	100	†98	100	67	75	†55
West Kootenay	...	....	...	....	..	....	*94	....	..	....	...	....	..	....	...	....	...	...	...	....	...	....	...	...
West Kootenay, pref.	...	....	...	....	..	....	*102	....	..	....	...	....	..	....	...	....	...	....	...	....	...	....	...	...
Windsor Hotel	...	....	...	....	..	....	*100	....	..	....	..	....	...	....	...	....	159¾	130	†150½	120	122	107½	120	†100
Winnipeg Elec.	110	June	90	Oct.	186½	Jan.	180	Jan.	210½	Feb.	180	June	218	Jan	187	July	269	210	255	185	200	177½	190¼	156¼

* Indicates the minimum quotation where no figures of transactions are available. ** Indicates stocks which were under 15 points when the markets colsed, and, therefore, free of the minimum.

Range of Prices of Bank Stocks for the Past Eleven Years on the Montreal and Toronto Stock Exchanges

	1916.				1915.				1914.				1913.				1912.		1911		1910			1909		1908		1907		1906	
Name.	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Low	High	Low	High	Date	Low	High	Low	High	Low	High	Low	High	Low
Brit. N. America.	112	Nov.	110	Sept	145	Feb.	145	Feb.	149	Feb.	145	Jan.	157	Apl.	145	July	160	145	153	145	151	Apl.	145	155	148¼	147	141	155	148¼	146⅛	141
Commerce	203	Jan.	183	Oct.	205	Apl.	203	Jan.	218	Jan.	199½	Jan.	224	Jan.	200	Aug.	230⅛	214¼	237	202	215½	Apl.	196	†201	171½	171½	155	180	153	190½	169½
Dominion	220	Sept.	204	June	229½	Jan.	227	Jan.	233	Jan.	218	Jan.	242	Jan.	212½	July	237½	223	247	222	249½	Jan.	231½	248	236	246	216	267	215¾	283	262½
Hamilton	197	June	146¾	June	208	Aug.	201	Jan.	207	Feb.	198	June	212	Jan.	199	Sept	208	199	212⅛	200	208	Feb.	196	206	199	205	185	217	180	233	210
Hochelaga	149	Jan.	145	July	150	Jan.	149	Jan.	155	Feb.	149	Jan.	170	Jan.	150	Mar.	180½	163	180	155	157	Nov.	142	148	140	150	133	159¼	134	163	144
Imperial	203	July	180	Jan.	214	Jan.	210	Jan.	218	July	210	Jan.	227	Jan.	207	Aug.	233	218	235	220	240	Mar.	219	234¼	224¼	234½	209	230	195	234½	225
Merchants	180	April	150	Oct.	180	Jan.	180	Jan.	191	Feb.	177	July	201	Jan.	180¾	July	200½	189¾	201¼	184	187¾	Aug.	171	170	160	166	151	170	150	176	160½
Metropolitan	...	....	...	....	..	....	..	....	211	Mar.	189¾	Jan.	198	Feb.	190	June	201¾	197½	200	197	...	....	..	..	..	..	..	192½	192	203½	192
Molsons	195	Dec.	182	Dec.	202	Jan.	200	Jan.	205	July	194¼	Jan.	203	Jan.	185	Aug.	212½	201½	211	203¼	215	Apl.	204	†211	199¾	207	188	215½	183	230	204½
Montreal	240½	June	219	Oct.	240	Apl.	234	Jan.	249	Feb.	229⅛	Jan.	246	Jan.	224	June	256	241	270	†236	259½	Jan.	242	†254½	245	250	228	257	225	261	252½
Nationale	134	Dec.	134	Dec.	132¾	Aug.	132¾	Aug.	133¼	Feb.	131	May	140	Mar.	133	Aug.	142	123½	125¼	121¼	...	....	..	..	..	..	..	..	..	..	..
Nova Scotia	261	Jan.	254	Oct.	265	Jan.	261	Jan.	265	June	257	Jan.	266	Jan.	251	July	278½	259	280	*269	285¼	Apl.	270	285	†276	286	274	293	274	233	273
Ottawa	204	Nov.	202	Nov.	207	Apl.	207	Apl.	208	April	201	Jan.	210¼	Jan.	202	Nov.	212	207¾	210	208	212½	Nov.	200	213	205	208	200	226¾	212	145	222
Quebec	119	April	96	Dec.	120	Jan.	119	Feb.	122	Feb.	118	Jan.	133	Jan.	120	Dec.	140	130	145¼	128¼	135	Nov.	122	126	122	135	120	145	119	247½	139½
Royal	221¼	Jan.	210	Sept	223	Jan.	221¼	Feb.	228	Feb.	218	June	228	Feb.	213	Aug.	234	220	242	*229	245	Oct.	224½	*233	‡212	236	211¾	242	218	230¼	222
Standard	221	Sept.	221¼	Oct.	220	Apl.	215	Jan.	223½	Mar.	208½	Jan.	228	Jan.	207	Aug.	239	218	232	217½	232½	Jan.	219	241	‡224	232	213	220¼	210	250¼	227
Toronto	215½	April	190	Nov.	211	Jan.	207	Jan.	215	Jan.	203	Jan.	212	Jan.	202	June	214½	204½	220	201¼	220¼	Jan.	209½	227	215	221	201	235¼	200	250	223
Union	140	Jan.	132	Aug.	140½	Jan.	140	Jan.	147½	April	138⅞	Jan.	154½	Jan.	136	June	174	149	151	146	150	Dec.	139¾	140	130	134¾	121½	152	125	158	143¼

*Minimum in all cases.

Range of Prices of Loan Company Stocks on the Montreal and Toronto Stock Exchanges

	1916.				1915.				1914.				1913.				1912.		1911		1910			1909		1908		1907		1906	
Name.	High	Date	Low	Date	High	Date	*Low	Date	High	Date	Low	Date	High	Date	Low	Date	High	Low	High	Low	High	Date	Low	High	Low	High	Low	High	Low	High	Low
Canada Landed	163	Sept.	157¼	Jan.	..	....	157½	....	170	Feb.	155	Jan.	170	Feb.	152	Oct.	169	154	*171	*151	161	Mar.	150	160	135	127	113½	125	113½	125	117½
Canada Permanent	183	Jan.	168⅝	Dec.	..	....	183	....	192½	Mar.	183⅞	Jan.	199	Jan.	180	Aug.	202½	174	176¼	*159¼	170⅛	Apl.	158½	163¾	140	145½	111¾	126½	111½	131	124
Central Canada	...	....	...	....	..	....	190	....	...	....	...	....	195	Apl.	190	Jan.	..	..	*197½	*197½	70¼	June	63⅛	71	63	70	60	80	55	89	75
Col. Inv. & Loan, pre	76	Dec.	70	July	..	....	78	....	83	Jan.	78	May	86	May	79	Aug.	80¼	73½	76	66	185	June	174	180	158	..	..	135	135	..	..
Dominion Savings	80	Mar.	80	Mar.	41	....	78½	....	78	Jan.	77	Jan.	79	July	76½	Nov.	78	75	72½	72	73	May	71½	72	70½	72	70	71½	70	73	70
Great West Permane	...	....	...	....	**89½	....	..	....	128	Mar.	126	Feb.	130¼	May	128½	May	135	125	119⅜	119⅜	129	Sept.	112	113	113	..	..	..	..	..	..
Hamilton Provident	140	Mar.	138	Sept	140	....	134	....	140	May	137	April	136	Apl.	132	Jan.	135	132½	133	130	130	Mar.	128⅛	125	118	120	117¾	124	120	124	120
Huron & Erie	214	June	209	Jan.	207	....	205	....	212	July	210	Mar.	219	Apl.	209	Feb.	206	204	203	200	202⅜	May	200	198	181	182¾	174	186	174½	188½	183
Imperial Loan	...	....	...	....	..	....	..	....	...	....	...	....	..	...	..	....	..	..	60	60	..	...	..	†70	†70	70	70	70	70	70	70
Ld. Bank. & L.	145	Sept.	144	June	149	....	140	....	146	June	143	Mar.	135	Apl.	130	May	140	139	138	134	133	Nov.	†130	127	122	120	120	124	122	125	123¼
Lon. & Canadian	135	Nov.	132	Jan.	131	....	130	....	138	April	125	Jan.	123	Feb.	113½	Sept	130	116	120⅞	107½	112	Jan.	†107	†115	107	110	95	108½	100	114¼	105
Montreal L. & Mortg	175	July	160	May	..	....	165	....	175	Jan.	175	Jan.	190	Feb.	175	Apl.	167½	140	157	138	155	Mar.	†145	141½	132	134	132	136	130¼	†138	*133¼
National Trust	210	Nov.	210	Nov.	..	....	218	....	230	April	225	Jan.	225	Aug.	220	Mar.	214	205¼	206	204	204	Dec.	192¾	200	170	150½	145	150½	145	157	155
Ontario L. & Deben	175	Nov.	169	Jan.	169	....	..	....	173	April	173	April	172	Feb.	166½	Apl.	165	164	165	156	155	Nov.	†148	†142	138½	130	128	135	130	140	128¼
Real Estate	...	....	...	....	..	....	..	....	103	Mar.	102	Jan.	107¼	Apl.	100	Jan.	105	95	101	97¾	101	Dec.	100½	†103	93	92	85	87	85	90	85
Toronto General Trus	212	Nov.	205½	Mar	208	....	..	....	204	Mar.	189	Jan.	200	Feb.	183	July	203½	178	180	171	140	Feb.	167½	165	150	145	145	145	143	160	150
Toronto Mortgage	140	Dec.	134	Feb.	..	....	134	....	140	April	137	June	155	May	134	Jan.	138¼	131½	140	129¾	175	Oct.	†130	130	114	112	104	111	105	115½	105½
Toronto Savings	...	....	...	....	..	....	..	....	...	....	...	....	..	...	..	....	..	..	185	185											
Union Trust Co.	...	....	...	....	..	....	..	....	...	....	...	....	178	Mar.	178	Mar.	180	180	175	170											

**Last sales. *Minimum in all cases.

IMPERIAL BANK OF CANADA

ESTABLISHED 1875

CAPITAL PAID UP $7,000,000 RESERVE FUND $7,000,000

PELEG HOWLAND, President. E. HAY, General Manager

HEAD OFFICE - TORONTO

ASSETS.

	October, 1916.	October, 1915.
Cash and Balances due from other Banks	$24,586,163.25	$22,760,274.15
Loans and Investments	59,696,165.69	53,770,443.47
Bank Premises, Real Estate other than Bank Premises, and other Assets	3,057,559.97	2,820,067.22
	$87,339,888.91	$79,350,784.84

LIABILITIES.

Notes in Circulation	$ 7,062,279.00	$ 5,730,792.00
Deposits	64,467,618.63	57,827,262.74
Due to other Banks	440,962.51	718,425.01
	$71,970,860.14	$64,276,479.75

Dealers in Municipal Bonds and Government Issues.

Collections Made throughout Canada and Foreign Countries.

Domestic and Foreign Exchange Bought and Sold.

Accounts of Farmers, Grain and Cattle Dealers, Merchants, Munufacturers and Municipalities solicited.

Savings Bank Department at all Branches of the Bank. Interest allowed on Deposits at highest current rate.

A PROSPEROUS YEAR IN STEEL TRADE.

(Continued from page 26.)

per cent. plus 32 per cent. of extras.

National Steel Car.

National Steel Car securities were trade in on the Toronto unlisted market since June of 1915 until November last when they were listed. When first offered in 1915 the common rose from 10 to 55 and the preferred from 65 to 103. They fell in 1916 to 25 and 80 for a time, though in recent weeks the common has advanced to 34 on news of good orders for cars amounting to $8,000,000, together with orders for munitions. The company is in a much better position than a year ago, especially as there is apt to be a considerable post-war demand for cars.

Ontario Steel Products.

This 1915 adoption of the stock exchange rallied early in the year, apparently by reason of buying for interests seeking control of raw materials. Toronto interests are supposed to be in control. During the year the preferred dividends were raised from 4 to 7 per cent., leaving arrears of only 7¼. The working capital has been greatly increased by nearly $100,000. Earnings for the year ending June 30, 1916, were at the rate of 8.5 per cent. on the common stock after payment of 7 on preferred. One of the features of the year has been the placing of a considerable sum of insurance payable to the company on the life of the general manager. Incidentally the stock has moved up from less than 20 at the beginning of the year to 40 to 45 at the end.

Russel Motor Car.

During the past year there has been a complete change in the affairs of Russell Motor Car. In the first place the company has got hold of a poor motor business and received in exchange cash and securities of the Willy's Overland. It still controls the very profitable skate and bicycle business organized under the Canada Cycle and Motor Company. Besides, it has very large orders for shells and fuses. In this work it has been singularly successful. The period of experimentation is over, and the plant is rapidly being paid for out of earnings on munitions business in acordance with the ordinary munitions contract. The ordinary business has been extraordinarily good and there seems to be no end of war orders. The annual report at October 1, showed great improvement, but the 21 per cent. of deferred dividends were not and have not been paid off. The company is evidently getting in a strong position first. There has been a general feeling that the annual report did not fully reveal the success of operations in the year.

There has of course been a great improvement in the market value of the stock. Beginning the year at 35, common advanced up to 114, and preferred advanced from 68 to 137. There were rapid advances in October and November; that is since the annual report appeared, though in the December slump they declined to 65 and 100. There are reports that the next annual report will show extraordinary profits.

The Canada National Fire Insurance Company

HEAD OFFICE, WINNIPEG, CANADA

Authorized Capital -	$3,000,000
Paid-in Capital -	1,700,000
Subscribed Capital -	2,050,400
Assets -	2,350,000
Surplus to Policyholders -	2,000,000

BOARD OF DIRECTORS:

President: J. H. G. Russell.
Vice-Presidents: D. E. Sprague. F. H. Alexander.
Managing Director: W. T. Alexander.

Directors:

J. G. Hargrave.
E. L. Taylor, K.C.
R. G. Affleck.
Dr. A. D. Carscallen.
S. D. Lazier.
F. N. Darke, Regina.
Andrew Gray, Victoria.
Hon. A. C. Rutherford, Edmonton.
Jonathan Rogers, Vancouver.

General Fire Insurance Business Transacted

AGENCIES:

Toronto Office—20 King Street West.
Victoria, B.C.—Douglas, Mackay & Co.
Vancouver, B.C.—A. W. Woodard, Rogers Building.
Calgary, Alta.—Lougheed & Taylor, Ltd.
Edmonton, Alta.—Allan, Killam, McKay, Alberta, Ltd.
Regina, Sask.—G. B. Reid.
Saskatoon, Sask.—J. H. C. Willoughby-Sumner Co.
General Agent Nova Scotia—A. J. Bell & Co., Halifax.

A Canadian Company Investing Its Funds in Canada

Capital Calls to be Heavy in 1917

Maturities Indicate That a Large Amount of Capital Will be Necessary to Meet Industrial and Other Requirements—Especially Large Numbers of Railway Issues are Coming Due—Some Information as to How Financing will be Done.

THE maturity of industrial, utility, Government, and especially railway securities, is always an important point in forecasting the future of the markets. If companies find it possible to meet their liabilities out of earnings, and thus retire the securities, their own position is that much improved. The margin of safety on debts outstanding is increased, and the stocks are that much nearer to a dividend basis or to an increase of dividends. It is, therefore, natural to expect that the remaining bond issues will slightly improve in price, and that stocks may improve considerably.

Another effect is that capital is available for investment in other securities of other countries or other companies. This has an important bearing on the prospects for new issues. If refinancing must be done, the outlook for new issues is less bright than it would be if maturities were met as expected. As a great volume of maturities are financed by new issues or an extension of time, it is generally assumed that a large volume of maturities is unfavorable to new issues. This is not necessarily the case, however, for in times of prosperity, as at present, the maturities may be met with exceptional ease, and then new issues, such as Government loans, will find a favorable market.

The total of industrial railway and utility securities maturing in 1917 is the large sum of $36,810,000. In the first six months of 1918 only $8,137,666 will be maturing, as compared with $16,556,000 in the first six months of 1917.

Maturing Liabilities.

The following table shows the total volume of maturing liabilities by months:

	*1917.	1918.
January	$ 3,805,500	$6,236,166
February	1,259,000	359,000
March	3,142,000	709,500
April	7,355,000	428,000
May	755,000	365,000
June	240,000	40,000
July	511,500	
August	359,000	$8,137,666
September	12,090,000	
October	380,000	
November	6,553,000	
December	360,000	
	$36,810,000	

*$16,556,000 for the first half-year.

Of those maturing in 1917 there will be large volumes in the months of January, February, March, April, September, and November. In 1918 the month of January will be the chief period for meeting these liabilities. A striking feature of the figures is the large percentage of railway securities to be retired. The following table shows that over 66 per cent. of liabilities maturing in 1917, or $24,758,500, will be railway bonds and notes. Of these, $17,232,500 is payable by the Canadian Northern Railway and $4,986,000 by the Grand Trunk Railway. In 1918 an issue of £1,000,000 of Grand Trunk notes, due in January, will be the chief item to consider in the railway list, though Canadian Northern will owe $1,313,500. Industrial securities have relatively little importance, the main item being $2,432,500 of notes of the Algoma Steel Corporation, due on March 1. Of Public Utility securities, the chief are $1,100,000 of the Ontario Power Company, due in February and November, and $7,000,000 of the Montreal Tramways, due in April, 1917:

Maturities by Classes.

	1917.	(1st 6 mos.) 1918.
Railway	$24,758,500	$7,137,166
Public Utility	9,154,000	898,000
Industrial	2,897,500	102,500

Out of Earnings.

THE POST has been able to get very little information about the probability that the various maturities will be met out of earnings. Individual companies seem anxious to withhold information, as premature announcement might make it impossible to purchase the securities in the open market at prevailing discounts, as is the practice of some companies.

Exchange an Influence.

A particularly interesting point about these maturities has to do with the foreign exchanges. Another article in this number of THE POST provides additional information on this point. Whether the maturities are payable in London, in New York, or in Canada may prove important to investors. For instance, at current sterling rates, if an issue of £1,000,000 of notes is payable in London to English investors the company could save $100,000 by buying London exchange in New York to defray the payment. If the notes are payable in America, the European investor could make the $100,000 by being able to buy London exchange cheap in New York and cashing at par in London. Investors would do well to investigate on this point.

The following is a detailed list of maturities classified according to companies:

Capital Requirements January, 1917, to April, 1918

Company.	Amount.	Description.	Date.
Canada Interlake Line	$ 20,000	First Serial 6s	Jan. 1, 1917
Canadian Pacific Railway	470,000	Equip. Trust 4½% Gold Certfs., Series "T," 1915	Jan. 1, 1917
" " "	470,000	Equipment Trust, 4½s, Series "T," 1915	July 1, 1917
	$ 940,000		
Northern Navigation Co.	28,000	First 5s	Jan. 1, 1917
Vancouver Lumber Co.	37,500	First 6s	Jan. 1, 1917
" " "	37,500	First 6s	July 1, 1917
	$ 75,100		
Canadian Northern Ry.	2,500,000	1-yr. 5% Secured Notes (Jan. 10, 1916)	Jan. 10, 1917
" " "	184,000	Imperial Rolling Stock, 4½s, Series "A1"	Feb. 1, 1917
" " "	100,000	Imperial Rolling Stock, 4½s, Series "P"	Feb. 1, 1917
" " "	74,500	Imperial Rolling Stock, 4½s, Series "B1"	March 1, 1917
" " "	105,000	Imperial Rolling Stock, 4½s, Series "E1"	March 1, 1917
" " "	210,000	Equip. Trust, 4½s, Series "F1"	March 1, 1917
" " "	50,000	Equip. Trust, 4½s, Series "G1"	March 1, 1917
" " "	170,000	Imperial Rolling Stock, 4½s, Series "R"	March 1, 1917
" " "	100,000	Imperial Rolling Stock, 4½s, Series "S"	March 1, 1917
" " "	100,000	Equip. Trust, 4½s, Series "C1"	April 1, 1917
" " "	150,000	Imperial Rolling Stock, 4½s, Series "D1"	April 1, 1917
" " "	105,000	Equip. Tr. 5% Certfs., Series "K1"	April 1, 1917
" " "	40,000	Equip. Tr. 5% Certfs., Series "H1"	June 1, 1917
" " "	50,000	Imperial Rolling Stock, 4½s, Series "N"	June 1, 1917
" " "	150,000	Imperial Rolling Stock, 4½s, Series "O"	June 1, 1917
" " "	184,000	Imperial Rolling Stock, 4½s, Series "A"	Aug. 1, 1917
" " "	100,000	Imperial Rolling Stock, 4½s, Series "P"	Aug. 1, 1917
" " "	210,000	Equip. Trust, 4½s, Series "F1"	Sept. 1, 1917
" " "	50,000	Equip. Trust, 4½% Certfs., Series "G1"	Sept. 1, 1917
" " "	150,000	Imperial Rolling Stock, 4½s, Series "T"	Sept. 1, 1917
" " "	75,000	Imperial Rolling Stock, 4½s, Series "B1"	Sept. 1, 1917
" " "	105,000	Imperial Rolling Stock, 4½s, Series "E1"	Sept. 1, 1917
" " "	11,500,000	2-yr. 5% Collateral Tr. Notes	Sept. 1, 1917
" " "	165,000	Imperial Rolling Stock, 4½s, Series "D1"	Oct. 1, 1917
" " "	110,000	Equip. Trust, 4½s, Series "C1"	Oct. 1, 1917
" " "	105,000	Equip. Trust, 5s, Series "K1"	Oct. 1, 1917
" " "	50,000	Imperial Rolling Stock, 4½s, Series "M"	Nov. 1, 1917
" " "	300,000	Imperial Rolling Stock, 4½s, Series "N"	Nov. 1, 1917
" " "	40,000	Equip. Trust, 5s, Series "H1"	Dec. 1, 1917
	$17,232,500		
Winnipeg Electric	750,000	2-yr. 6% Notes	Jan. 15, 1917
Abitibi Power & Paper Co.	50,000	First Serial 6s	Feb. 1, 1917
Ontario Power Co. of Niagara	700,000	2-yr. 6% Secured Notes	Feb. 1, 1917
" " "	400,000	3-yr. 6% Convertible Debs.	Nov. 1, 1917
	$ 1,100,000		
St. Lawrence Pulp & Lumber	150,000	First 6s	Feb. 1, 1917
Toronto, Ham. & Buffalo Ry.	75,000	4½% Equip. Notes, Series "A"	Feb. 1, 1917
" " " "	75,000	4½% Equip. Notes, Series "A"	Aug. 1, 1917
	$ 150,000		
Algoma Steel Corp.	2,432,500	3-yr. 6% Notes	March 1, 1917
Montreal Tram & Power Co.	7,000,000	2-yr. 6% Collateral Trust Notes	April 1, 1917
Canada Paper Co.	200,000	First 5s	May 1, 1917
Grand Trunk Ry.	197,000	Equip. Trust 4½% Notes, Series "A"	May 1, 1917
" " "	168,000	Equip. Trust 4½% Notes, Series "B"	May 1, 1917
" " "	113,000	Equip. Trust 4½% Notes, Series "C"	May 1, 1917
" " "	4,000,000	2-yr. 5% Convertible Notes	Nov. 1, 1917
" " "	197,000	Equip. Trust 4½% Notes, Series "A"	Nov. 1, 1917
" " "	168,000	Equip. Trust 4½% Notes, Series "B"	Nov. 1, 1917
" " "	113,000	Equip. Trust 4½% Notes, Series "C"	Nov. 1, 1917
" " "	30,000	Whipple Car Co., 1st Real Estate & Col. Car Tr., 6s	Dec. 1, 1917
	$ 4,986,000		
Algoma Central & Hudson Ry.	50,000	Equip. Trust 6% Gold Bonds, Series "A"	May 15, 1917
" " " "	7,000	Equip. Trust 6% Gold Bonds, Series "C"	May 15, 1917
	$ 57,000		
Algoma Eastern Ry.	20,000	Equip. Trust 6% Bonds, Series "D"	May 15, 1917
Tilbury Town Gas Co.	4,000	First 6s	July 1, 1917
Ottawa & N. York Ry.	825,000	First and Collateral 4s	Nov. 1, 1917
" " "	500,000	First Mortgage, Bridge Section, 4s	Nov. 1, 1917
	$ 1,325,000		
Canadian Furnace Co.	40,000	First 6s	Dec. 1, 1917
Toronto Ry.	250,000	2-yr. 6% Notes	Dec. 1, 1917
		1918—	
Canada Interlake Line	20,000	First Serial 6s	Jan. 1, 1918
Canadian Pacific	470,000	Equip. Tr., 4½% Gold Certfs., Series "T" 1915	Jan. 1, 1918
Northern Navigation Co.	27,000	First 5s	Jan. 1, 1918
Vancouver Lumber Co.	37,500	First 6s	Jan. 1, 1918
B.C. Sulphite Fibre	65,000	First Serial 6s	Jan. 2, 1918
Grand Trunk Ry.	£ 1,000,000	3-yr. 5½% Secured Notes	Jan. 14, 1918
" " "	197,000	Equip. Trust 4½% Notes, Series "A"	May 1, 1918
" " "	168,000	Equip. Trust 4½% Notes, Series "B"	May 1, 1918
	$ 1,265,000		
Winnipeg Electric	750,000	2-yr. 6% Notes	Jan. 15, 1918
Abitibi Power & Paper	100,000	First Serial 6s	Feb. 1, 1918
Canadian Northern Ry.	184,000	Imperial Rolling Stock, 4½s, Series "A1"	Feb. 1, 1918
" " "	74,500	Imperial Rolling Stock, 4½s, Series "B1"	March 1, 1918
" " "	105,000	Imperial Rolling Stock, 4½s, Series "E1"	March 1, 1918
" " "	210,000	Equip. Trust, 4½% Certfs., Series "F1"	March 1, 1918
" " "	50,000	Equip. Trust 4½% Certfs., Series "G1"	March 1, 1918
" " "	170,000	Imperial Rolling Stock, 4½s, Series "R"	March 1, 1918
" " "	100,000	Imperial Rolling Stock, 4½s, Series "S"	March 1, 1918
" " "	110,000	Equip. Trust, 4½% Certfs., Series "C1"	April 1, 1918
" " "	165,000	Imperial Rolling Stock, 4½s, Series "D1"	April 1, 1918
" " "	105,000	Equip. Trust 5% Certfs., Series "K1"	April 1, 1918
" " "	40,000	Equip. Trust 5% Certfs., Series "H1"	June 1, 1918
	$ 1,313,500		
Toronto, Ham. & Buffalo	75,000	Equip. 4½% Serial Notes, Series "A"	Feb. 1, 1918
Dom. Power & Transmission.	48,000	First 5s	April 1, 1918

THE NICKEL OUTPUT.

Continued Growth of Production During the Year.

The value of the nickel production of Canada in 1916 is estimated at $23,000,000, against $20,423,348 in 1915, and $13,655,381 in 1914. Ten years ago the valuation was $8,948,834, and in 1896 it was $1,188,990, but only $498,286 in 1889. In the first half of 1916 the output was 42 per cent. greater than for the corresponding period in 1915.

The first and largest producer of nickel in the world is the International Nickel Co., which does its refining in New Jersey, but produces matte at Sudbury, Ont., through the Canadian Copper Co., which it controls. Another corporation is the Mond Nickel Co. of Great Britain, of which the head is Sir Alfred Mond. This company smelts its ore at Coniston, Ont., and the matte is refined at Clydach, Wales, the plant having been greatly enlarged in 1914. The International Nickel Co. shipped 59,000,000 lbs. to the United States in 1915, and the Mond Co. sent 12,000,000 lbs. to Great Britain. Each company uses its own process, developed after extensive experimenting and great expense.

A third corporation was organized in July, 1913—the Canadian Nickel Corporation—but the name was afterwards changed to the British-American Nickel Corporation. The British Government will take part of its output and will guarantee its bonds. Undoubtedly this is part of a plan to increase the supply of nickel for the Government without dependence on foreign countries. Not long ago it was announced that very soon actual operations on the building of another refinery for the British-American Co. would begin, and that the new refinery of the International Nickel Co at Port Colborne, Ont., would be turning out refined metal within 12 months.

The Dominion Bank

HEAD OFFICE, TORONTO

Capital Paid Up	$6,000,000
Reserve Fund and Undivided Profits	7,400,000
Total Assets	94,000,000

BOARD OF DIRECTORS:

Sir Edmund B. Osler, M.P., *President*
W. D. Matthews - *Vice-President*

A. W. Austin W. R. Brock
James Carruthers R. J. Christie
Sir John C. Eaton E. W. Hamber
H. W. Hutchinson A. M. Nanton
A. T. Reid

LONDON, ENGLAND, BRANCH
73 Cornhill, E.C. - J. Haydn Horsey, Manager

We have every facility for sending remittances to our soldiers in England and at the Front.

Upon application to the Manager of any Branch we shall be glad to make special enquiries respecting Casualties.

C. A. BOGERT,
GENERAL MANAGER

The Great West Permanent Loan Co.

Head Office:
Great West Permanent Building, Winnipeg, Canada

OUR RECORD GROWTH

	PAID-UP CAPITAL	RESERVE	ASSETS
In 1903	$110,295.92	$27,767.21	$160,574.29
In 1915	$2,410,925.31	$685,902.02	$7,426,971.18

Board of Directors
PRESIDENT
W. T. ALEXANDER
D. E. SPRAGUE E. L. TAYLOR, K.C
S. D. LAZIER
HON. A. C. RUTHERFORD J. H. G. RUSSELL
DR. A. D. CARSCALLEN
J. G. HARGRAVE R. G. AFFLECK
F. H. ALEXANDER, Secretary

BRANCHES AT
Toronto, Calgary, Edmonton, Regina, Vancouver, Victoria

Short Term Debentures Issued to Yield 5%